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PRESCOTT BUSH AND THE FOUNDATIONS OF MODERN REPUBLICANISM

LEONARD SCHLUP

After twenty years of Democratic domination of the executive branch of government, Republicans, under the leadership of Dwight David Eisenhower, captured the White House in 1952. This election marked the beginning of Modern Republicanism and political dealignment, the latter being a noncommittal alteration of voter allegiance, independent ticket splitting in state and national campaigns, and a shift in the appeal of the Democratic party among groups and regions traditionally loyal to President Franklin Delano Roosevelt's coalition. Except for three presidential elections since Eisenhower's departure, Republicans have retained control of the presidency, narrowly losing in two close contests but never fully translating victories to include both houses of Congress. While winning five of the last six national campaigns, Republicans since 1953 have presided over the House of Representatives for only two years and have harnessed the Senate by a slight margin during eight nonconsecutive years. The result has been three decades of political cohabitation and divided government in the United States.

Although dominant since 1968 in presidential contests, labeled as deviating elections, and helped by internal Democratic quarreling, Republicans have failed to achieve enduring political realignment that characterized earlier periods of United States history. Jeffersonian and Jacksonian Democrats fashioned a majority status from 1801 to 1860 before being displaced by the Civil War and the revitalized Republican party, which, with the exceptions of Grover Cleveland and Woodrow Wilson, held the presidency from 1861 to 1933. The Great Depression plummeted the party to a subordinate position from which it never recovered the enormous impact and total control that it enjoyed in the 1920s when a GOP coalition dominated the presidency and Congress.

The negatives that dogged the GOP since President Herbert Hoover lessened, and in some cases evaporated, during the 1950s. The turning point occurred when Eisenhower broke the Solid South, the only significant region where real realignment has developed during the past thirty years. Eisenhower's victories in several southern states have been repeated by every Republican presidential nominee since 1960. This has made it easier for Republicans to seize the White House and win by large electoral margins than before the breakup of this demographic group. Until 1989, no party since 1952 had occupied the White House for more than eight consecutive years. Eisenhower and Ronald Reagan, the last Presidents to serve two full terms, ranked with two other Presidents this century to achieve that distinction. While the people experienced only three chief executives between 1933 and 1960, since 1961, compounded by a restrictive constitutional amendment, tumultuous events and irregular developments, resulting in various presidential administrations, excluding the Reagan regime, have encircled the nation in one-term presidencies reminiscent of the nineteenth century.¹

In addition to political dealignment, the presidential election of 1952 launched the birth of Modern Republicanism, which in the 1950s offered alternatives not only to Democratic programs but also to policies of former Republican leaders. It constituted a political philosophy embracing fiscal conservatism and social liberalism. Like the New Deal and Fair Deal, Modern Republicanism, based solidly on practical political considerations, sought to adapt the principles of the Constitution to the economic conditions of the time. The formula for winning nationally consisted of absorbing Democratic programs while cutting the costs. This policy, discovered decades earlier by British conservatives and exploited for political advantage, permitted Republicans to incorporate Democratic issues with their programs designed to deal with the same problems. In fact, exponents of Modern Republicanism, including Marion Folsom, Secretary of Health, Education, and Welfare in the Eisenhower administration, and Gabriel Hauge, special presidential assistant, patterned a policy that by 1956 had effectively robbed Adlai Ewing Stevenson, the Democratic standard-bearer, who defied ideological labels, of issues such as expanded social security coverage, farm legislation, and aid to education.²

Eisenhower personified Modern Republicanism at a moment

in history when Democrats constituted the majority party in the nation. He neither dismantled nor enlarged the New Deal; rather, he headed a transformational government at a time when the rotation of the political pendulum signaled a less adventurous agenda. Modern Republicans accepted the basic concept of the New Deal, for they did not lead a revolutionary movement. This had transpired earlier when the New Deal, a response to the Great Depression and standpattism, created a political revolution that transformed the nation and the presidency during an era devoted to expanding social legislation. Modern Republicans wished merely to redefine those responsibilities in the 1950s.

The President's noncombative nature and nonpolitical background provided Republicans with a fresh leader to inaugurate a new era. Unlike Ohio's Senator Robert Alphonso Taft, a Republican product of the old school, Eisenhower, the last of the great war generals to become president, emerged in 1952 holding no political baggage from a congressional career. Free from inflexible positions and narrow ideological constraints, Eisenhower pursued a course that was personally satisfactory and politically appealing. He symbolized the authentic American center by guiding an administration whose ultimate aim revolved around the role of the individual person in an emerging federal-state pattern for determining the functional divisions of government.³ Eisenhower often delineated his conception of new Republicanism. "It is a type of political philosophy," he explained, "that recognizes clearly the responsibility of the federal government to take the lead in making certain that the productivity of our great economic machine is distributed so that no one will suffer disaster or privation through no fault of his own."⁴

Although Eisenhower epitomized modern ideas on the national scene, in the states several senators, heralding the period, defined and defended the objectives of Modern Republicanism as applied to the nation's domestic policies. These legislators included Clifford Philip Case of New Jersey, Jacob Koppel Javits of New York, John Sherman Cooper of Kentucky, and Prescott Sheldon Bush of Connecticut.⁵ Their role consisted of providing direction and guidance to executive proposals and carrying the message to constituents. Critical protests from ideological puritans and members of the orthodox Old Guard faction, charging that the policies of Modern Republicanism were indistinguishable from the

New Deal, confirmed to modernists the perception of politicians still wedded to the theories of rugged individualism that had prevailed in another generation.

The beginnings of Modern Republicanism in Connecticut occurred in 1952 with the senatorial election of Prescott Sheldon Bush.⁶ Born in Columbus, Ohio, on May 15, 1895, the son of Samuel Prescott Bush, a steel manufacturer, and Flora Sheldon Bush, young Bush attended the Douglas School in his native city and St. George's School in Newport, Rhode Island. After graduation from Yale University in 1917 and service with the 158th Field Artillery Brigade in the American Expeditionary Forces in France during the First World War, and with occupation forces in Germany following the armistice, Bush worked as a clerk for the Simmons Hardware Company in Saint Louis before becoming a vice-president of the Stedman Products Company in South Braintree, Massachusetts, from 1922 to 1924, and of the United States Rubber Company in New York City for the next two years. In 1926, he entered the field of banking as vice-president of W. A. Harriman and Company. A few years later, when that firm merged with Brown Brothers and Company, a private banking and Wall Street investment firm established in New York City in 1818, he became a partner of the new organization, Brown Brothers Harriman and Company. Bush also served at various times in other capacities, including that of a director of the Columbia Broadcasting System, a trustee of Yale University and the Episcopal Church Foundation of the United States, and chairman of the National War Fund Campaign (1943 and 1944).⁷

Bush's political career began in 1935 when he won election as moderator of the Greenwich (Connecticut) Town Meeting, a post he held for seventeen years in the city to which he had relocated a decade earlier. Chairman of the Connecticut Republican Finance Committee between 1947 and 1950 and a delegate-at-large to the Republican National Convention of 1948, Bush lost his first senatorial bid in 1950, succumbing to William Benton, a Democrat, for the two-year interim term of Senator Raymond Earl Baldwin, who had resigned to take a seat on the Connecticut Supreme Court. The election results profiled no massive repudiation at the polls in that Benton eclipsed Bush by a scant 1,102 votes. Benton triumphed with 431,413 votes to 430,311 for Bush.⁸

In 1952, the year of Eisenhower's campaign, Bush, buoyed

by his previous strong performance, again campaigned for a United States Senate seat. This time he defeated Congressman Abraham Alexander Ribicoff by 28,960 votes to fill the vacancy occasioned by the death of Democratic Senator James O'Brien McMahon. Bush accumulated 559,465 votes to 530,505 for his opponent. The election highlighted the power of presidential coattails and confirmed Eisenhower's popularity, for the General poleaxed Stevenson, the Democratic nominee and Governor of Illinois, in Connecticut, a state that three times had contributed to Roosevelt's victories. Eisenhower trounced his challenger by a margin of 611,012 to 481,609 votes. Bush trailed Eisenhower by 51,547 votes while Ribicoff pulled ahead of his party's presidential contender.⁹

Four years later, in 1956, upon the conclusion of the unexpired term and after having served forty-eight months as a freshman senator in a Republican oriented Congress, Bush sought re-election for a full six-year term. Chairman that year of the National Platform Committee at the GOP convention and campaigning as an incumbent, Bush swept to a handsome victory by winning 610,829 votes to 479,460 for his Democratic opponent, Representative Thomas Joseph Dodd. Once again Eisenhower forged to the front, replacing Bush as the top vote compiler, while Dodd managed to avoid the stigma of Stevenson by running ahead of the national ticket. Helped by Eisenhower's strength, Bush, known for his practical politics, won reaffirmation as Connecticut voters endorsed Modern Republicanism.¹⁰

Bush's adherence to Modern Republicanism gained him national attention. His speeches, dispelling thoughts of a maelstrom of politics, produced logical analyses of the political philosophy upon which he based his career. In a Lincoln Day address at Glastonbury, Connecticut, on February, 12, 1955, Bush elucidated Republican principles. His speech, printed in the *Congress Record* on February 18, revealed certain outstanding features of a program which characterized American political life that decade. Bush traced Republicanism to Abraham Lincoln, the great Civil War President. Invoking the memory of Lincoln, he reminded the audience that modern Republicans believed with the Great Emancipator that 'the dogmas of the quiet past' were inadequate 'to the stormy present'. The New England legislator outlined the contributions of Lincoln and President Theodore Roosevelt. Noticeably

absent was any reference to President Warren Gamaliel Harding or President Calvin Coolidge. Bush confessed that the party had come a long way in improving its political philosophy since the rigid conservatism of the 1920s and that it had profited by its mistakes. Because new issues identified the 1950s, leaders had to think and respond with appropriate ideas to meet bewilderingly intricate and perplexing problems. "Our philosophy recognizes," Bush emphasized, "that in this complex industrial civilization of modern times, the problems of government are more complicated and more comprehensive than they have ever been before." Laud-ing the Eisenhower administration as an example of successful Modern Republicanism formulated to cope with contemporary challenges, he said: "It is a philosophy of progressive moderation ... or of moderate progressiveness Whatever it be named, it is a philosophy which strikes a responsive chord in the minds and aspirations of the American people, who find a steady advance along the middle of the road to our future more sensible and more attractive than frenetic zigzaggings from left to right and *vice versa*."¹¹ Bush reasoned that this idea reflected the best understanding of the obligations and duties of government yet realized in United States history.

As a United States Senator, Bush generally supported President Eisenhower but worked to establish his own reputation as an innovative legislator. Considered an authority on government finance and the national economy, he served on the Banking and Currency, Public Works, Armed Services, and Joint Economic committees. Bush, who brought to the Senate meticulous skills gleaned from his experience in business, advocated measures to curb inflation, foster slum clearance, promote urban renewal, encourage economic growth, and initiate redevelopment programs. He favored uniform cost sharing standards in flood control projects, argued for a fair political broadcasting code, endorsed direct federal assistance of educational activities, championed representation of the District of Columbia in Congress, embraced the establishment of a commission on equal employment opportunity, focused attention on the necessity for a commission on aging, urged a code of fair procedures for Senate investigations, agreed to a constitutional amendment to abolish the poll tax, fought for the enactment of a president's advisory council on education, demanded the formation of a special committee for preserving historical

documents, admitted the need to curtail lengthy filibuster tactics, orchestrated ideas for the fashioning of a commission on international trade (introduced by Senator Everett McKinley Dirksen of Illinois) to study the influence of foreign trade upon the American economy, espoused equal rights for men and women, and generated support for an item veto (an innovative feature of the Confederate Constitution that had been incorporated into the constitutions of many states for governors) to permit the president to exercise discretion by discarding certain parts of appropriations bills without rejecting the entire package.¹²

In addition to these measures, Bush spearheaded a movement for interstate highway construction programs and helped to draft the Federal Aid Highway Act of 1956, which authorized the construction of the national system of interstate highways. This legislation dramatically reshaped American life by fueling the explosion of suburbia, expanding opportunities for vacationers, opening new corridors for economic development, and providing an impetus to automobile makers and oil companies. It gave new meaning to the idea of a mobile society and brought Americans closer together. The act reflected a tradition in the United States, stretching back to President John Quincy Adams and Senator Henry Clay, of government sponsored programs for internal improvements.

The clearest expression of the philosophy of Modern Republicanism that surfaced during Bush's senatorial career occurred over the issue of flood control. This early test of leadership came in the aftermath of two devastating hurricanes, named Carol and Edna, that struck Connecticut and other northeastern states on August 31 and September 11, 1954. Torrential precipitation and buffeting winds of high velocity affected hundreds of small businesses, stores, homes, and factories. Temporary unemployment reached a peak of 30,000 residents. Thousands of families in coastal areas suffered distress, and nearly sixty people died in the catastrophe.¹³ Preliminary estimates of staggering economic loss totaled approximately 240 million dollars. Earlier hurricanes in 1938 and 1944 had augmented the dilemma confronting New England, and the storms in 1954 suggested to Bush a strong possibility of a change of weather patterns that could resurrect storms with increasing frequency. From that moment, he resolved to explore the possibilities of legislation.

On January 14, 1955, Senator Bush introduced landmark legislation which became synonymous with his name and career. He engineered a plan of action and galvanized groups of people as allies in an undertaking that culminated in a successful endeavor to prepare for the future. In sponsoring the measure, Bush advocated certain principles, claiming that the power emanated from the Constitution. He chartered a course using flood relief as an example of the modern responsibilities of the national government. "The cost of protective works," he advised his Senate colleagues, "is beyond the capacity of local and state governments to bear alone. This is a case where the assistance of the federal government, on a partnership basis with towns and cities, is desirable and essential."¹⁴

This bill sought to authorize a survey of the coastal and tidal areas of the northeastern seaboard of the United States in order to ascertain methods of preventing property damage and deaths caused by severe winds and tides. The proposal, referred to the Committee of Public Works, of which Bush was a member, instructed the Secretary of the Army to order an examination of the afflicted region under the direction of the Chief of Engineers. Congress would appropriate sufficient funds to comply with the provisions of the Act. In the end, the Senate and House added other areas in a geographically enlarged piece of legislation.¹⁵

The Bush bill, scheduled for a hearing before the committee and amended to include the southern seaboard, received favourable attention. It passed the Senate on May 31, 1955, and obtained quick approval in the House of Representatives on June 2. Presented to the President on June 6, Eisenhower signed the measure into law nine days later. Bush participated in the ceremonies at the White House on June 15.¹⁵

A concatenation of events propelled Bush into the spotlight, making him acutely aware of the importance of bipartisanship in fulfilling the responsibilities of modern government. He approached flood control in a spirit of cooperation to rehabilitate the stricken communities. In this respect, he practised the politics of inclusion, which for him was a characteristic trait of a New England background. Bush worked closely with his Senate colleague from Connecticut, William Arthur Purtell, who deferred to Bush in the preparation of the legislation, and with the Democratic Governor of the Constitution State, Abraham Ribicoff, as well

as others representing the affected areas.¹⁷ In a letter to the Governor on January 22, 1955, Bush outlined his actions, reiterated his proposal, and pledged his cooperation. "Your interest in this problem," he wrote, which has been a matter of deep concern to me since I entered the Senate, is fully appreciated. I am confident that by working together we will be able to make progress toward its solution."¹⁸

The successful struggle to gain congressional and presidential approval for flood prevention was a key example of the benefit of coalition politics for the good of the community and country. This legislation catapulted Bush into the political limelight and reinforced his credentials among modern Republicans. The Act also ignited a continuation of governmental activity on the subject. In 1956, Bush sponsored legislation to permit the construction of additional flood control reservoirs in the Connecticut River basin and furnish rent-free accommodations in certain types of federally aided housing for needy victims of major disasters.¹⁹ Bush defended the Federal Flood Insurance Act of 1956 as a sound and workable program to provide substantial protection to home owners and small businessmen.²⁰

Six years later, in 1962, attributing his decision to ill health, Bush declined to seek re-election, thereby ending a decade of senatorial service that paralleled the eight years of Eisenhower's benevolent presidency and two years of President John Fitzgerald Kennedy's New Frontier. His term expired on January 3, 1963. It was a poignant conclusion to a brief tenure that Bush described as the happiest years of his life.²¹ Ribicoff, Secretary of Health, Education, and Welfare in the Kennedy Cabinet, succeeded to the coveted Senate seat for which he had fought at an earlier date. Bush returned to business ventures, resuming his affiliation with Brown Brothers Harriman and Company.

From the vantage point of political retirement, Bush witnessed profound changes in the 1960s, including economic growth and social protest in a post-Eisenhower rebellion during an era of Democratic hegemony. He watched in 1964 as Eisenhower abdicated his role as elder party spokesman by upholding the nebulous principle of public reticence when crippling divisions within the GOP resulted in the worst electoral defeat that the party had sustained since the 1936 disaster under Governor Alfred Mossman Landon of Kansas. Bush also observed the unfolding of the

Vietnamese conflict and the travail of his friend, President Lyndon Baines Johnson, who incredulously mired himself in Southeast Asia, damaged his credibility, derailed the Democratic agenda, and wound up being caught in a quagmire from which he could not escape until his decision to leave office upon the expiration of his term. Yet in spite of the Vietnam albatross, and the absence of a Camelot demeanor that had characterized his youthful predecessor, Johnson crafted the most remarkable legislative record ever achieved by any chief executive during a period of prosperity.

Bush lost his final battle at the Memorial Hospital for Cancer and Allied Diseases in New York City on October 8, 1972.²² His death at age seventy-seven removed from the scene an individual who had articulated Modern Republicanism in the 1950s and a leader in whom Eisenhower had placed his faith and clandestinely considered as a possible successor in 1960.²³ Unfortunately, Bush's legacy to his party was soon forgotten. He died immediately prior to the imbroglio of Watergate, the embroilment of a paralyzed White House and devastation of a dying Republican administration, and the resignation in disgrace of Richard Milhous Nixon, who destroyed himself and demolished his presidency. Moreover, Bush did not live to see how the overwhelming electoral loss in 1964 signaled the beginning of a conservative trend within the party that later engulfed the nation. Senator Barry Morris Goldwater's presidential nomination in 1964, which submerged the liberal wing, broke the hold that the eastern establishment had maintained on the GOP and moved the party westward, culminating, after the Watergate debacle, in the populist conservatism of President Ronald Wilson Reagan, an amiable Sun Belt septuagenarian Republican who led a political revolution only to stumble needlessly in 1986 into the outrageous Iran-Contra morass, which cast a serious shadow over his presidency and place in history. Even before Reagan, the demographic displacement of the Northeast by the South and West resulted in a new political pre-eminence and major adjustments for both parties, including the 1976 presidential nomination of James Earl Carter, a former Democratic Governor of Georgia, and the fact that Republicans since 1952 have carried California, now the most populous state, in every presidential election except the loss in 1964. In addition, since 1948, Republicans have placed far western politicians on their national tickets for president or vice-president in every presi-

dential campaign with only the two exceptions that occurred in 1976 and 1988.²⁴

Six characteristics marked Bush's political career. First, he gained a Senate seat without having previously served in an elective state or national office. Second, Bush won only in presidential election years when Eisenhower headed the ticket. He suffered defeat in the off-year race in 1950 and refused to run for another term in 1962, thereby preventing historians and political scientists from measuring his performance on the political Richter scale without Eisenhower. Third, Bush pursued a policy of modern pragmatism for the reconstitution of government and the resuscitation and restructuring of the Republican party. Fourth, he spent most of his Senate days under an astute and powerful majority leader. Lyndon Johnson, who abhorred exclusionary politics. Master of the upper chamber, Johnson, known for his power to persuade, presented a more vigorous concept of leadership than Eisenhower. Bush learned valuable lessons from this experience, and despite diverse backgrounds, he shared certain beliefs in common with Johnson. Fifth, like Johnson, Bush preached the politics of participation, counseled a consolidated bipartisan foreign policy, and deplored ideological partisanship and political phlebotomy while voicing continuing efforts to make constructive contributions to the resolution of problems. Sixth, Bush served in the Senate when the nation was receptive to Republican leadership. In this respect, the rhythmical blend of political cycles every thirty years remained on course in American politics. Conservatives peaked during the 1890s, 1920s, 1950s, and 1980s, while liberals monitored events and superimposed their will on the 1900s and 1910s, 1930s, and 1960s. Bush's party, however, was less extreme in its conservatism in the 1950s than the GOP forefathers thirty years earlier who had presided over a period of retrenchment. Unlike the reactionaries of another generation, Modern Republicans recognized that the American conscience could be expressed through the instrument of government and acknowledged that there existed an evolutionary character of the American presidency.

The contributions Bush made to triumphant Republicanism in the 1950s earned him a place as one of the founding fathers and principal architects of a philosophy identified with the Eisenhower era. Although labeling himself an Eisenhower Republican, he

went beyond those bounds to establish his own reputation as a politician who combined a progressive outlook on social issues with a pragmatic approach on international relations. Regrettably, historians have ignored Bush as a political personality, for his name usually has been omitted from major works dealing with the period. This neglect was due in part to certain factors. Limited by the seniority system and Democratic control of the Senate, as well as a short duration in office, Bush never achieved the status of a power figure in the congressional hierarchy. In addition, the Eisenhower hiatus, wedged between Democratic administrations, in many respects represented the last period of American innocence and tranquillity before cataclysmic events of the next two decades trammelled reputations and plunged the nation into serious situations. These developments and political repercussions overshadowed the period, now mainly a nostalgic memory, to which Bush devoted his concern.²⁵

A product of his age whose generation had seen more rapid change than any people in history, Bush left an imprint on his state and party that should not be overlooked in any exploration of the reaffirmation of Republicanism in the 1950s. As more material becomes available, opportunities will increase to probe further the life of a fascinating figure in recent American political history. □

FOOTNOTES

1. James L. Sundquist, "Has America Lost Its Social Conscience— And How Will It Get It Back?," *Political Science Quarterly*, CI (Centennial Issue No. 4, 1986), 513-33; Seymour Martin Lipset, "Beyond 1984: The Anomalies of American Politics," *PS*, XIX (Spring, 1986), 222-36; Jo Freeman, "The Political Culture of the Democratic and Republican Parties," *Political Science Quarterly*, CI (Centennial Issue No. 3, 1986), 327-56.

2. Stewart Alsop, "Just What Is Modern Republicanism?," *The Saturday Evening Post*, CCXXX (July 27, 1957), 18-19, 88-90. Also, Gary W. Reichard, *The Reaffirmation of Republicanism: Eisenhower and the Eighty-Third Congress* (Knoxville: The University of Tennessee Press, 1975), pp. 3-27.

3. Arthur Larson, *A Republican Looks at His Party* (New York: Harper & Brothers, Publishers, 1956), pp. 198-204;

Samuel Lubell, *Revolt of the Moderates* (New York : Harper & Brothers, Publishers, 1956), pp. 75-102; Prescott Bush to John Bricker, January 19, 1954, John William Bricker Papers, The Ohio Historical Society Library, Columbus, Ohio.

4. Quoted in Steve Neal, *The Eisenhowers* (Lawrence : University Press of Kansas, 1984), p. 413.

5. Sherman Adams, *First Hand Report : The Story of the Eisenhower Administration* (New York : Harper & Brothers, Publishers, 1961), p. 374. Also, Dwight D. Eisenhower, *The White House Years: Mandate for Change, 1953-1956* (Garden City, New York : Doubleday and Company, Inc., 1963), p. 218.

6. Prescott Bush was the father of President George Herbert Walker Bush.

7. Biographical information on Prescott Bush can be gleaned from the Prescott Sheldon Bush Papers, Connecticut State Library, Hartford, Connecticut; *The National Cyclopaedia of American Biography* (60 vols. ; Clifton, New Jersey : James T. White and Company, 1977), LVII, pp. 110-11; *Biographical Directory of the American Congress, 1774-1971* (Washington : U. S. Government Printing Office, 1971), p. 680.

8. Connecticut, Office of the Secretary of State, *Statement of Vote* (General Election, November 7, 1950), Public Document No. 26 (Hartford, 1951), p. 13. Also, 'The Election,' *Time*, November 13, 1950, p. 20.

9. Connecticut, Office of the Secretary of State, *Statement of Vote* (General Election, November 4, 1952), Public Document No. 26 (Hartford, 1953), p. 13; *The New York Times*, November 5, 1952, p. 1; 'The Congress,' *Time*, November 10, 1952, p. 27; Dwight D. Eisenhower to Prescott Bush, November 10, 1952, Dwight David Eisenhower Papers, Dwight D. Eisenhower Presidential Library, Abilene, Kansas; George E. Reedy, *The U. S. Senate : Paralysis or a Search for Consensus?* (New York : Crown Publishers, Inc., 1986), p. 103.

10. Connecticut, Office of the Secretary of State, *Statement of Vote* (General Election, November 6, 1956), Public Document No. 26 (Hartford, 1957), p. 13; *The New York Times*, November 7, 1956, p. 1; 'The Senate,' *Time*, November 12, 1956, p. 23.

11. U. S., *Congressional Record*, 84th Cong., 1st Sess., February 18, 1955, CI, Part 2, pp. 1818-19.

12. Many proposals encompassed Bush's senatorial years. Perhaps the most peculiar and uncharacteristic stand taken by Bush during his political career concerned his refusal in 1958 to endorse statehood for Alaska. Joining a coterie of southern senators in opposition to Alaskan statehood, Bush went beyond the immediate issue by suggesting a constitutional amendment to provide that a new state could be admitted to the union only with the consent of two-thirds of both houses of Congress. This antiquated notion was reminiscent of the Hartford Convention in 1814 and 1815 when a group of disheartened New England Federalists wanted to limit the influence of an expanding west, carved out of the Louisiana Purchase, by proposing a two-thirds vote for admission. In 1959, Bush voted for the admission of Hawaii as the fiftieth state. See U. S., *Congressional Record*, 85th Cong., 2nd Sess., June 30, 1958, CIV, Part 10, pp. 12597-99, 12650.

13. U.S., *Congressional Record*, 84th Cong., 1st Sess., Jan. 14, 1955, CI, Part 1, pp. 335-37. For background information, see William Edward Leuchtenburg, *Flood Control Politics: The Connecticut River Valley Problem, 1927-1950* (Cambridge: Harvard University Press, 1953). Also, *The New York Times*, September 1, 1954, pp. 1, 20-21; September 12, 1954, pp. 1, 72-74.

14. U.S., *Congressional Record*, 84th Cong., 1st Sess., January 14, 1955, CI, Part 1, p. 336.

15. U.S., *Congressional Record*, 84th Cong., 1st Sess., May 31, 1955, CI, Part 6, p. 7250.

16. *The New York Times*, June 16, 1955, p. 33. Scrapbooks of newspaper clippings and photographs of the hurricane damage and floods can be found in the Bush Papers at the Connecticut State Library. There are several files on flood control in John Fitzgerald Kennedy's Senate papers from the 1950s located at the John F. Kennedy Presidential Library at Boston, Massachusetts.

17. James Strom Thurmond to Leonard Schlup, December 6, 1982. Also, Bush to Allen Joseph Ellender, July 9, 1958, in U.S., *Congressional Record*, 85th Cong., 2nd Sess., July 9, 1958, CIV, Part 10, p. 13227.

18. Bush to Abraham Ribicoff, January 22, 1955, in U.S., *Congressional Record*, 84th, Cong., 1st Sess., January 26, 1955, CI, Part 1, p. 729.

19. U.S.; *Congressional Record*, 84th Cong., 2nd Sess., July 27, 1956, CII, Part 11, pp. 15111-12. Additional information can be mined from the Everett McKinley Dirksen Papers located at the Everett McKinley Dirksen Congressional Leadership Research Center at Pekin, Illinois.

20. Bush to Warren Grant Magnuson, May 14, 1957, Lyndon Baines Johnson Papers, Lyndon B. Johnson Presidential Library, Austin, Texas.

21. Bush to Lyndon B. Johnson, January 9, 1967, Johnson Papers.

22. *The New York Times*, October 9, 1972, p. 34.

23. Neal, *The Eisenhowers*, p. 412. Eisenhower included Bush's name in an undated handwritten list of prospective 1960 candidates. Ironically, Bush would have found it easier to win the November election than gain the Republican presidential nomination. Since Eisenhower and Stevenson, Republican conventions have been more conservative and Democratic delegates more liberal than the national constituency. Republican Governor Nelson Aldrich Rockefeller of New York and Democratic Senator Henry Martin Jackson of Washington failed to obtain the nominations of their parties, but they would have made strong presidential contenders in a general election. Because Americans have inveighed against the paranoid style in American politics, an accepted rule of two-party politics has been that centrist presidential nominees win by large majorities when campaigning against opponents representing ideological extremes. Candidates such as William Jennings Bryan, Barry Goldwater, and George Stanley McGovern, handicapped by deep divisions within their parties, lost to William McKinley, Lyndon Johnson, and Richard Nixon, who campaigned as moderate leaders.

24. Gerald Rudolph Ford, a Congressman from Michigan before becoming vice-president under the provisions of the twenty-fifth amendment, and an unelected president upon Nixon's resignation, eventually claimed California as his home and retired there upon the termination of his caretaker presidency in 1977. Because of his short tenure in office, Ford, unlike Johnson, Nixon, and Carter, managed to escape from having a disastrous final year in the modern presidency, a predicament known as the second term or last year syndrome. Ford's 1976 running mate was Senator

Robert Joseph Dole of Kansas. In 1988, Vice President George Bush, of Texas and Maine, and with roots in New England, returned to the late nineteenth-century and early twentieth-century Republican practice of having a midwesterner on the ticket. Bush chose Senator J. Danforth Quayle of Indiana for vice president.

25. For a succinct summary of President Bush's recollections of his father, see George Bush, *Looking Forward: An Autobiography* (New York : Doubleday, 1987), pp. 22-27. On November 8, 1988, George Bush was elected in a landslide as the nation's forty-first president, making him the only chief executive whose father had served in the United States Senate.

A CRITICAL SURVEY OF ECONOMIC REFORMS IN SHANGHAI FROM 1978 TO 1983

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1. INTRODUCTION

The word reform is not new to the people of Communist China. Ever since the Chinese Communist Party came to power in October 1949, it has gone through various reforms. In order to gain wider support from the proletariat, land reform was carried out in the early 1950s followed by the Great Leap Forward in 1958—a reform of economic thinking that China was able to do anything if it were united. Then the cultural reforms, *i.e.*, the Cultural Revolution in 1966 followed. Each one of these reforms pushed China into a higher stage of progress but every one of these reforms faced misfortune due to a change in the position (either left wing or right wing) of the Communist Party. In 1978, there began yet another reform—the economic reform of China.

The Third Plenum of the Eleventh Central Committee of the Chinese Communist Party is generally regarded as the starting point of the economic reforms in China. The decision to undertake these reforms were timely since studies show that in the years prior to 1978,

*“... the technological level in the Chinese industry trailed that in American industry by roughly 40 years for motor vehicles production, 25 years for certain steel and manufacturing plants, 20 years for aero design and production, 15 to 20 years for oilfield operation and more than 20 years for electric power industry ...”*¹

A major aspect of the economic reforms has been the Open Door Policy. The Beijing administration designated a number of areas in China, especially in the coastal areas where foreign investors are allowed and encouraged to invest. The areas that were opened were the four Special Economic Zones of Shenzhen, Zhuhai, Xiamen and Shantou and the fourteen coastal cities

of Shanghai, Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, Beihai and Hainan Island.² In 1985, the Changjiang River delta, the Zhujiang River delta and a delta south of Fujian province were also opened for foreign investment. This is the first time that China had welcomed foreigners into the country on their own accord.

This paper attempts to study the effect of the economic reforms of 1978 by looking at the growth and development of the important sectors in the Shanghai Economic Zone and in particular, the Shanghai Municipality.

We shall first look into the economic zone and the basic strategies that have been formulated for development. Then these strategies will be analyzed by looking at their implementation into the various economic sectors, *i.e.*, the light and heavy industry, hi-tech industry, agriculture, infrastructure and construction industry, the financial sector and the foreign sector. The conclusion will discuss some prospects of the Shanghai Economic Zone, and form the starting point of a sequel to this paper which aims to examine Shanghai after the June 4th 1990 Tien An Men massacre.

2.0 SHANGHAI AND ITS ECONOMIC ZONE

Shanghai with its long history of "*western imperialist, carpet bagging capitalist, power broking secret societies and the founding of the Communist Party*"³ is the largest city in China. After thirty years of being in obscurity, it has emerged again to be China's leading financial and commercial centre.

Shanghai Economic Zone consist of, apart from the Shanghai Municipality, the provinces of Jiangsu, Zheziang, Anhui, Jiangxi and Fujian. It covers an area of more than 520,000 sq. km. and a population of more than 200 million people. There is somewhat of a mutual dependence between the Shanghai Municipality and the other five provinces. The provinces are, on the one hand, rich with resources for industrial and agricultural development and thus form a good resource base for Shanghai. On the other hand, these provinces rely heavily on Shanghai to woo-in foreign investors and create an export market for locally manufactured products.

Table 1 shows the important role that the Shanghai Municipality plays towards the nation's industrial and agricultural out-

A CRITICAL SURVEY OF ECONOMIC REFORMS IN SHANGHAI

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TABLE 1 : SHANGHAI : GROSS OUTPUT VALUE OF INDUSTRY AND AGRICULTURE

Year	1978	1980	1981	1982	1983	1984	1985	1986	1987	1988
Gross Output Value of Agric. and Industry (100 mil. RMB)	565.94	651.4	642	675.36	719.38	792.74	894.11	985.97	1105.56	1348.94
Proportion to National Total	10	9.2	8.6	8.2	8	7.6	7.3	6.5	6	5.8
Gross Agric. Output Value (100 mil. RMB)	14.96	13.8	33	38.66	40.8	48.37	68.88	33.76	38.84	53.07
Proportion to National Total	1	0.6	1.4	1.5	1.4	1.4	1.6	0.8	0.8	0.9
Gross Industrial Output Value (100 mil. RMB)	550.98	637.6	609	636.7	678.58	744.37	825.23	952.21	1066.72	1295.87
Proportion to National Total	13.5	13	11.8	11.4	11	10.6	10	8.5	7.7	7.1
Total Population (10000)			11630	11810	11940	12050	1217	1232	1250	1262
Per capita Output (RMB)			5520	5719	6025	6579	7347	8003	8844	10689

Note : Output value for 1978-1985 at constant 1980 prices.

Output value for 1986-88 at current prices.

Source : *Statistical Yearbook of China 1981-1988*, State Statistical Bureau, PRC.

Shanghai Economic News, 31st October, 1987 and 31st January, 1988.

put. Although the proportion to the national total decreased the absolute value was on the rise. This only goes to show that the contribution of other provinces were also on the rise. In 1987, Shanghai Municipality passed the 100 billion RMB mark in agricultural and industrial output value. This represented about 6 per cent of the national total. The industrial output value represented more than 7 per cent of the national total. In the same year, China's GNP hit the one trillion RMB mark¹. Shanghai's GNP in the same year was 53 billion RMB or 53 per cent.

3.0 THE BASIC STRATEGIES OF REFORM

There are three basic strategies for reform that have performed key roles in both the Sixth Five Year Plan (1981-1985) and the current Seventh Five Year Plan (1986-1990). They are the following :

1. Intensification of infrastructure construction so as to improve both living and investment environments ;
2. Use of foreign investment and increase of exports to earn more foreign exchange, and expansion of economic and technological exchanges both domestically and internationally ;
3. Acceleration of the training of qualified personnel and progress in science and technology.

The first strategy is designed to be achieved by easing the traffic and urban transport problems and by improvising the postal and telecommunication services and energy supply. More residential housing will be constructed with environmental protection being taken into consideration.

In the first eleven months of 1987 alone Shanghai has absorbed US\$ 1.82 billion of foreign capital⁵. These foreign enterprises and joint ventures mainly produce goods for export. This not only increased the foreign exchange earnings but also transferred technology and know-how to the Chinese partners. Domestically, the concept of horizontal cooperation is being pursued so as to enable technology from more developed cities like Shanghai be transferred to interior regions. The second strategy could thereby be achieved.

The third strategy was to be accomplished by providing more autonomy to enterprises in handling their businesses. This, it is hoped, will change the goal of the Chinese enterprises to profit maximisation rather than output maximisation.

Our research revealed evidence to the effect that the above strategies have indeed hastened the reforms specially towards an outward orientated economy.

4.0 AN ANALYSIS OF KEY SECTORS

4.1 THE HEAVY AND LIGHT INDUSTRY

The industrial sector has since the Great Leap Forward of 1958 been the most emphasized sector in China's economic reforms. The results are obvious when looked at the gross industrial output values. In 1987 this value for the Shanghai Economic Zone reached 344.2 billion RMB, achieving an increase of 15.6 per cent over 1986. The Shanghai Municipality contributed 106.6 billion RMB. Taking a longer period, *i. e.*, since the beginnings of the reforms, there was an increase of 77 per cent in the industrial output value, a 7.4 per cent average annual increase from 1978 to 1986.⁶ Agriculture and light industry appears to have a faster growth than the heavy industry up until late 1987 when heavy industry overtook the agriculture sector in terms of gross output value.

There are nine industries in the light industries sector that have shown a marked development, *i. e.*, the food, textile, the three machines for civil use (television, tape recorder and radio), electrical instrument for household (*e.g.*, refrigerator), plastics, metallurgical, bearing, low voltage electric instruments and printing industries. The development in these industries include the replacement of old equipments, converting backward techniques, changing formation of products and inventions of new products.

As for the heavy industries, development has been made in the production of cars, ships and jet planes. The most outstanding car production enterprise in Shanghai is the joint venture with West Germany's Volkswagen Company. Emphasis has not only been in the production of the Shanghai Santanas but creating other related automobile industries. By the end of 1988, the target was set to bring nationalization of the Shanghai Santanas to 50 per cent and a further 83 per cent by 1991. Shanghai has the strongest ship building and ship exporting base in China. Of the six ship exporting bases that will be built in China by 1991, four of them will be in Shanghai. The development in this industry is a result of the importation of many items of ship building technology from Denmark, West Germany, United Kingdom, France and Japan. The production of MD-82 jetliners is a key project of the Seventh

Five Year Plan. This Sino-US joint venture with an investment of US \$ 550 million has a target production of 25 MD-82's by 1991.

Table 2 below shows that China is trying to spread its emphasis equally on the heavy industry and the light or consumption industry. This is thus a tangible evidence of Post Mao reforms since during the time of Mao Zedong more capital and emphasis was put on the heavy industry. Table 3 shows Shanghai's performance in the industrial sector in China, at about midpoint of the time frame of this analysis.

TABLE 2— CHINA : PROPORTION OF NATIONAL OUTPUT VALUE (%)

<i>Year</i>	<i>Agriculture</i>	<i>Light Industry</i>	<i>Heavy Industry</i>
1952	56.9	27.8	15.3
1957	43.3	31.2	25.5
1960	21.8	26.1	52.1
1966	35.9	31.4	32.7
1979	29.7	30.7	39.6
1986	35.2	30.2	34.5

Source : China Database 1986, China Economic Research Centre, Macau, 1988.

TABLE 3— SHANGHAI : MAJOR INDUSTRIAL PRODUCTS, 1983

<i>Item</i>	<i>% of country's output</i>
Steel	12.8
Rolled Steel	13.8
Caustic Soda	12.0
Wool Fabric	21.8
Silks	11.9
Bicycles	18.9
Ethylene	22.1
Plastics	15.2
Tyres	14.2
Machine Tools	14.2
Chemical Fibre	29.1
Yarn	11.9
Cloth	10.6
Sewing Machines	26.2
Wrist Watches	26.2
Television Sets	27.6
Color Television Sets	28.6
Radio Sets	23.9
Cameras	39.8
Audio Tape Recorders	19.3

Source : Shanghai Economic News, 31st July, 1985.

4.2 THE HI-TECH INDUSTRY

To raise the level of technology in China, much attention has been placed on the hi-tech industry. Since the reforms were implemented in 1978, Shanghai has come a long way. The establishment of the technology market has been of significant effect. It is an important link in the change of operation mechanism of scientific and technological work. This technology market is to facilitate the use of technology from one industry to the other. Another major step in this sector has been the establishment of an industrial park in Cahoejing. This area nicknamed "the Shanghai Silicon Valley" is erected to develop computers, large scale integrated circuits, optical fibre communications and other advance technology. This area has been chosen as it is surrounded by research institutes and electronic factories.

The other main areas where efforts have been made are in the fields of bio-technology, telecommunications, robotics and astronautic technology. The development of these industries is due to the greater decision making power being handed down to the scientific and technological institutions. This has been done mainly by granting greater autonomy to research institutes, reforming the appropriation system, developing the technology market, increasing scientific research and production unions, reforming the research institutes' internal management, adopting the professional position appointment system, reinforcing scientific and technological legislation to promote technological development units under enterprises, extending collective and private research institutes and integrating research institutes with enterprise groups.

As a result of these reforms, Shanghai earned US \$ 100 million from the export of technology and products in 1988, a four fold increase from 1987.⁷ It has been suggested that Shanghai should cooperate with Hong Kong (in view of the colony becoming part of China in 1997) in terms of technology. Shanghai has been proposed to be a base for scientific research and production while Hong Kong would be a base for development and marketing.⁸

In other words, the economic reforms have introduced China to advance technology by bringing up the level of technology from the 1960's level to the 1980's level.

4.3 AGRICULTURE

Emphasis on the agricultural sector however, would appear to

have not been as strong as that of the manufacturing sector. This is so, judging from the fact that in Shanghai between 1978 and 1986, agriculture experienced a 19.7 per cent growth, an average of 2.3 per cent per annum. On the other hand, as mentioned earlier the industrial sector experienced an annual average growth of 7.4 per cent. *China Daily* reported that China's agricultural sector may slow down the country's economic development unless more material and intellectual investment are made in agriculture.⁹ The urge to modernise industry was taking its toll on the agricultural sector's growth, which seemed to lag behind after other sectors.

The agriculture sector, surprisingly, was the first sector to undergo reforms. It started with the abolishment of the communal system and the implementation of the responsibility system. This reformation has had a direct impact on output in the Shanghai Economic Zone. As compared to 1978, there has been a 39.3 per cent increase in pork output, a 240 per cent increase in poultry production, a 77 per cent increase in milk, a 140 per cent increase in dairy products and a 310 per cent increase in fish and shrimp output.¹⁰

Hence, the plan in Shanghai has been to enhance growth by removing any excess labour from the agriculture sector to the industrial sector. This movement was so large that in 1984, 56.2 per cent of total rural labour force was transferred to the secondary and tertiary sectors.¹¹ Between 1978 and 1986, a million rural folks were transferred to the other productive sectors. With the disguised unemployment being reduced, it paved the way for a much efficient method of labour and capital utilization.

The lack of space in the Shanghai Municipality has prompted the other provinces in the zone to take steps towards increasing arable land. This has been done, for example, by cultivating barren beaches and low yielding land. As a result, the Shanghai Economic Zone has exploited 30 million mu¹² of this sort of land to produce 10 billion kilograms of grain and other produce including oil crops, cotton, fruits and aquatic products.

Agricultural reforms has resulted in large scale production and the removal of inefficient farmers to the industrial sectors. This removal actually help the farmers to increase the standard of living by taking part in sideline occupation and establishing township industries. Hence, by restructuring the entire sector, the

agricultural sector has improved its total and per capita production.

4.4 INFRASTRUCTURE/BUILDING INDUSTRY

The insufficient infrastructure has been a major limitation to the reforms carried out by the Shanghai Municipality. The insufficiency in residential buildings, traffic congestions, insufficient water treatment systems and power to generate the industry has been the major areas of concern for the Municipality. To alleviate this problem, an annual average of 506 million yuan has been pumped into the city for infrastructural construction from 1982 to 1985¹³. The amount was expected to further increase. During the first half of 1986, 600 million yuan was invested into public transportation, parks, forest parks, flood control system, residential housing, gas piping to households and widening of roads¹⁴. To alleviate the housing congestion, for example, the old Shanghai area which was filled with slumps and badly polluted environment was rebuilt with control being exercised on building volume, number of floors, building density and environment quality. It will be reconstructed so as to provide space for tertiary industry.

The largest project in China in terms of scale, amount of investment and capacity is the Shidongkou No. 2 Power Plant at Shidongkou near Shanghai. This project was expected to ease the power shortage problem in Shanghai whose demand was expected to be 2 billion, 3 billion and 4 billion kW/hr in 1987, 1988, 1989 respectively¹⁵.

As for harbour construction, the central government decided that it would pass on part of the burden to harbour administrative bureaus which would be allowed to raise funds by borrowing for ground installations such as machinery, warehouse, roads, public utilities and communications and repay the loans through revenue from the harbour. Another strategy was the increase in the building of small and medium sized harbors to reduce the congestion at the Shanghai port. This, apart from easing the burden on the Shanghai port, would, it was hoped, also develop local economies.

4.5 FINANCIAL SECTOR

To cope with massive development in the industrial sector, Shanghai's financial sector has and is still undergoing reforms.

After lagging behind for nearly thirty years, Shanghai's financial sector has to lead an entire nation into modernization using open market's financial tools that has been utilized by all other financial centers. Steps such as trans-regional financial coordination, *i. e.*, interaction between banks, short term loans market, public issuing of shares and bonds and utilization of foreign loans were some of the major developments that took place since the implementation of the open door policy.

State investment in enterprise changed from interest free allocation, to bank loans and later through issuance of stocks and bonds. The reasons justifying this step has been to encourage the bank's role as a reservoir for funding assistance and ultimately to turn the banks into private enterprises. The other reason is to make use of idle funds which are in the hands of the public into circulation channels. However, it has been estimated that only 10% of the funds were from independent operations of banks and capital market whereas the remaining were from state allocation¹⁶. As of 1986, there were more than 748 stock issuing units in Shanghai. This was a direct result of the increase in the number of enterprises, whether state owned or private, that sold stocks in the open market. The Shanghai Electric Vacuum Company was the first state run enterprise to issue stocks, worth more than 40 million yuan to the public¹⁷.

Foreign funds have all along been received in the form of inter-government loans, loans from the World Bank and issuance of bonds overseas and international commercial credit. These funds have been mainly utilized to improve urban infrastructure, to develop industries which are export orientated and the tertiary industry as well as to further open new economic zones to attract foreign investors. For example 25 billion Japanese Yen (US \$ 120 million) was raised by Shanghai Investment and Trust corporation through issuing yen bonds for the first time in the international money market.¹⁸ Foreign fun, however, escalated China's foreign debt to US \$ 25-27 billion, a triple increase between 1983 and 1986.¹⁹

Authorization to handle foreign exchange deposits which was formerly only under the jurisdiction of Bank of China was now relaxed enabling the Industrial and Commercial Bank of China, the Bank of Communications, the Bank of Constructions and the Agricultural Bank of China to undertake this activity.²⁰ The first

foreign exchange market in China where free trading of foreign currencies would be permitted is due to be established in Shanghai. A national Stock Exchange would also be established in Shanghai²¹ as per plans. Within a span of just a decade Shanghai's financial sector has been said to have achieved the level of Seoul, although the dream still lingers on to be another Tokyo.

5.0 THE FOREIGN SECTOR AND JOINT VENTURES

The Open Door Policy's main feature has been the outward orientated economy. After nearly thirty years of being a 'closed economy', China finally opened its doors to allow foreign businesses to venture into the land of a billion people. The result of the opening of the coastal belt has been mesmerizing. In Shanghai alone, by the end of November 1987, there were 284 enterprises with foreign investment out of which 197 were Sino-foreign joint ventures with a foreign investment of US \$ 826 million, 84 co-operatives enterprises run by Chinese and overseas parties involving US \$ 1008 million and 3 wholly owned foreign enterprises involving US \$ 4 million.²² With the above track record, Shanghai is now the third popular area in China attracting foreign investment.

The proportion of enterprises with foreign investment in Shanghai amounts to only 3.2% of the estimated total of 8943 in the country (since 8 years up to September 1987²³), but the failure rate of these enterprises was estimated to be 0.7% (*i.e.*, only 2 of the enterprises' license were revoked) as compared to 12% for the whole nation.²⁴ Another interesting fact was that Shanghai has comparatively absorbed more American investment. As a whole the ratio between investment from Hong Kong and the United States is 7 : 1 in China and yet in Shanghai it is close to 1 : 1.²⁵ It was estimated that in Shanghai, the investment from US and Western Europe accounted for 47% of the total foreign investment.

The reforms to attract more foreign investment took the following form :

1. Granting the Commission of Foreign Economic Relations and Trade the sole authority to examine and approve proposals for setting up joint ventures, feasibility studies, contracts and articles of associations. The Commission on its part has delegated these authorities to the bureaus, district governments and country governments and as such

simplifying the bureaucratic procedures.

2. Offering preferential treatments to foreign investors.
3. Improving the investment climate through gradual formulation and improvement of many relevant laws and regulations to facilitate the Open Door Policy.

In a survey made by Stavis and Ye Gang²⁶ in 1987, foreign managers of manufacturing equity joint ventures located in Shanghai were asked about the problems faced by joint ventures operations. The high overhead cost, for example, expense of housing, office space, expatriate salaries and benefits were the most difficult problems faced by some. Others complained that the supply of raw materials for inputs posed serious threats. Others agreed that the labour marketing issues were most chronic. These problems faced by the joint ventures not only applies in Shanghai but China in general.

China also participated in joint ventures outside China. So far China has engaged herself in 385 joint ventures and wholly owned projects in 66 countries and regions with investment from China amounting to US \$ 622 million.²⁷ Shanghai on her part has set up 13 overseas joint ventures with funding of US \$ 8 million (from 1981-1985).²⁸

The large amount of capital pumped into Shanghai by the foreign investors will surely boost the economic performance but at the same time she has to build a whole range of downward linked enterprises to support these enterprises and to learn and use the technology and know-how so as not to rely on foreign investment too heavily.

6.0 CONCLUSION

There is strong evidence from the above analysis that Shanghai has benefitted from the economic reforms. All the major sectors, agriculture, industry, construction, financial and the foreign sector has shown mark increase in both output and annual growth. These factors of growth could be generalized to, if not all, most of the open coastal cities and the special economic zones. For Shanghai, the future growth and development seem to be bright. It is the largest city in China and the strategically located, facing the economic giant, Japan, and the three roaring NIC's, South Korea, Taiwan and Hong Kong. This would provide opportunities for both importing technology and attracting investors as well as a base

for marketing made-in-China goods. It has a growing infrastructural base, a pre-requisite for development and skilled manpower, at least to Chinese standards.

All these are fine, but the question is, how should we measure development in Shanghai or more generally, the economic reforms. Output or per capita output is the currently used measure. We feel that these measures are insufficient since it measures only macro progress. Economic reforms should put emphasis on the quality of life of its people. Shanghai has made a start by ensuring that residential housing is being built and that basic machines for civil use, *i.e.*, refrigerator, television, etc., are being produced for domestic consumption. If Shanghai is to set the example for the rest of China, it has to satisfy the growing needs of its people which would in turn lead to greater productivity and growth. The examples of Eastern Europe and USSR should be a lesson. If the quality of life is neglected, the state apparatus loose its *bona fides* and must crumble. □

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TOWARDS A SINGLE MARKET FOR ASEAN?

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INTRODUCTION

As we move into the 1990's and take the first steps towards the last decade of the 20th century, we see the world as a stage where major politico-economic changes have been taking place. The sudden turn of the Eastern European countries from socialism to market economies, the collapse of the iron curtains of Soviet Russia and China and the end to the Cold War are a few instances. In our own Asian region, the emergence of the NIC's, the rapid economic development of former colonies and the reducing threat of communism are also quite evident.

In the light of the above developments, we feel that it is timely to consider the objectives and aims of ASEAN, as an entity as well as its member countries. ASEAN which was established in 1967 as a strategic method to defy the Domino Theory, has come of age. This defilement was not directly a result of ASEAN but rather an evolution of ideological beliefs. Socialism seem to have exited from the scene as fast as it entered.

What has ASEAN achieved as far as political stability is concerned? It has managed to suppress any kind of inter-member state disagreement. To the outside world, however, it has painted a facade of a mediator to the Cambodian conflict. We see the issue as a vicious cycle of trying to get three men to agree at the expense of millions of people in Cambodia. As far as economic progress is concerned, as member states, ASEAN countries have showed tremendous progress except may be for the Philippines with its never ending political tug-of-war. ASEAN can boast of having one of the four little dragons and two robust economies of Thailand and Malaysia. Even Indonesia is beginning to set the stage for economic acceleration. But as one entity, the only thing that ASEAN can be 'proud' of is their handful joint ventures. We

opine that, if ASEAN were to show some kind of economic co-operation, it has to be felt by the citizens of these countries, rather than merely by issuance of declaration after declaration.

This paper attempts to evaluate the position of ASEAN with respect to two models; the theoretical 'Villegas model' and the more practical 'EEC model'. Although scholars seem to be skeptical of ASEAN being an economic union, we of the younger generation are optimistic that ASEAN should join the bandwagon of economic regionalism as shown by the EEC and the US-Canada pact. We have divided the paper into three parts; the first, a comment on the two models; the second, an analysis of where ASEAN stands; and the third, some recommendations for policy analysis.

PART I

THE VILLEGAS MODEL

Bernardo Villegas¹ offers forms or level of meaningful economic co-operation from a "free-trade area" to "full economic union". He states that there are four levels at which different countries can pursue meaningful economic co-operation with one another. The first step is a free-trade area where each participant country dismantles trade barriers against each other. Hence, goods and services move freely within territorial boundaries. The overall result will enable industries to access a larger market and in turn, enabling them to reach economies of scales and improve their competitiveness against industries outside the region.

The second level is where member states agree to set a common external tariff wall against imports from outside the region. This customs union will have a standard tariff for all goods and services entering the region.

Moving to the third level is the common market. At this level, the concept of resource pooling is realized where manpower is allocated according to where it is most efficiently used. In the long run, then, the wage cost of all member countries would be equal.

The final stage is the ultimate economic integration, *i.e.*, an economic union. Economic union is achieved when member states agree not only to trade goods and services freely with one another, but also to unify their economic policies— trade, monetary, fiscal and so on. Existing unions such as the EEC, aspire to achieve

this goal for the reason that it binds separate economic entities of each member states into an integrated and stronger whole. Here, the synergy effect is the desired result.

Villegas also added that for economic co-operation to be meaningful in its existence, two prerequisites—market sharing and resource pooling, must take place. Market sharing literally means to share the market within the region. Thus, industries are not limited to the constraints of a limited market at home. The second requirement, resource pooling, is to allow member states to mobilize resources to their optimum efficiency.

A SURVEY OF THE EUROPEAN ECONOMIC COMMUNITY

The European Economic Community (EEC) consisting of 12 member states (Belgium, Denmark, France, Germany, Greece, Spain, Ireland, Italy, Luxembourg, Netherlands, Portugal and United Kingdom) covers an area of about 2.25 million sq. km. and has a population of 320 million.

The idea of a supranational organization at such a level can be traced back to 1946, when after the Second World War, the Prime Minister of UK, Winston Churchill, suggested that they (the Europeans) “should construct some kind of a United States of Europe”.² This idea, at that time, was to balance the superpowers of the USA and the USSR. Soon after, in 1949, a Council of Europe was formed which was basically an inter-governmental organization, nothing more, nothing less. Between 1947 and 1949, there were other economic organizations formed in Europe like the Benelux union and the Economic Commission for Europe. The former survived when it was merged into the EEC but the latter formed under instructions of the US, deteriorated due to the Cold War, and became the Organization for European Economic Commission (OEEC). Hence what we have are two organizations, the Council for Europe and the OEEC (which later evolved into the EEC with France being the torch bearer). The other organization was the European Free Trade Area (EFTA) with UK as the main player. France has been in favour of a supranational organization while UK has been always (even now) reluctant to give away national sovereignty to these institutions.

The first solid foundation towards the EEC was laid when the European Coal and Steel Community (ECSC) spearheaded by Schuman and Monnet was established. This provided economic

cooperation among member states (France, Germany, Italy and the Benelux union) within the specified goods. When the member states side tracked and tried to form a political union, the European Defense Community, it met with opposition from member states especially France, ironically. The member countries realized that a political union should be a long term plan while in the short and medium term, emphasis should be on economic union.

On 25th March 1957, the Treaty of Rome was signed between the Benelux union, France, Germany and Italy which gave birth to the EEC and the European Atomic Energy Community (Euratom). The Treaty of Rome became the charter for the EEC. The EEC and the Euratom ran parallel to the ECSC untill 1969 when they were merged together as the EEC. The goal of the EEC was outlined in the Treaty as follows :

“The community shall have as its task, by establishing a common market and progressively approximating the economic policies of member states, to promote through out the community a harmonious development of economic activities, a continuous balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relation between states belonging to it.”³

By 1968, the formation of a customs union and the removal of internal tariffs between member states was carried out. In the same year the Common Agricultural Policy (CAP) was also adopted. The CAP turned out to be the source of major squabbles between member countries since agriculture in most countries are an economic as well as a political feature. Between 1957 and 1969, there were political squabbles, the main one being the rejection of UK's application for membership, championed by de Gaulle of France. Plans for a full monetary and economic union for the EEC with a deadline set for 1980 was proposed. These plans, as we know now, were not completed, the deadline being extended to 1992. The seriousness of the EEC was further enhanced when in 1972, the first summit of the heads of government took place, becoming a permanent feature in the EEC hierarchy. These summits were labelled The European Council.

In 1973, UK, Ireland and Denmark became full members of the EEC, thus widening the Six to Nine. To reduce the economic gap between the backward areas in the community and the

developed areas, a Regional Development Fund was established in 1974, providing financial assistance for countries like the UK, Ireland and Italy to develop these less developed areas.

A further step towards economic unification was the European Monetary System established in 1978. The closest common currency in existence now is the ECU (European currency unit) which is weighted according to a basket of member countries' currencies. This union has had major opposition from the UK who claim that if they adhere to this monetary union, national sovereignty would have to be given up. This was voiced out by Thatcher even during her last days as Prime Minister.

The first direct election into the European Parliament took place in 1979. Though it had dull response from the public, it was a major step in the development of the EEC. In 1987, the Socialist held 33 per cent of the seats while the People's party held 23 per cent.

In the 1980's the EEC edged closer towards its goal. In 1986, the Single European Act was signed which took over the Treaty of Rome and became somewhat of a constitution of the EEC. More barriers were lifted thus providing a freer movement of people, goods, services and capital within member states.

1992 is the goal. A single market and the elimination of all barriers that retards unification. The Cecchini report claims that the economic union would, "put between four and seven percentage points on the Community's domestic products."⁴ However, as the world economy slumps into a recession in these next few years, one wonders if member countries would take the risk of lifting these barriers at all.

A COMMENT ON THE EEC MODEL

It must be emphasized that the EEC stands for an economic union of member countries. Every time a political union is proposed, there has been major opposition from some members. However, some harmony has been achieved as far as foreign policy is concerned. For example, harmonization when it comes to voting at the United Nations and more recently, a common foreign policy against the invasion of Kuwait by the Iraqi president, Saddam Hussein.

The EEC has taken a step by step process towards achieving their goal of a single market. It started off with a Free Trade Area

where some members were also partners to the EFTA agreement. Within just 2 years, a customs union was established. But it was to take almost 24 years (or maybe more) from then on to achieve a common market (See Appendix 1 for these processes). One explanation for the rapid establishment of a free trade area and a customs union is that there were just a few goods involved, for example, coal and steel. However, for the common market, all barriers to free movement of goods, services, people and capital must be removed. Another explanation is that the former two steps were agreed among six member states but the common market involves twelve and maybe more member states. It is possible that the EEC is too large to come to an agreement. The Single European Act, 1986 is partly a solution to this, where only a majority vote is needed to pass a proposal compared to a unanimous decision according to the Treaty of Rome. Once a common market is achieved, an economic union would come automatically as member countries need to harmonize economic policies to defend their territories. This shows that the EEC model for an economic union is similar to that of the Villegas model but it is not as smooth as one would imagine. Taking into account the fact that most EEC countries were once major powers colonizing the Americas, Africa and Asia, giving up part of national sovereignty without a fight would be "losing face".

We will point out 3 areas where common agreement have been difficult to reach. Firstly, is the European Monetary System. The main purpose of the EMS is to create a zone of monetary stability in Europe. It follows a combination of the fixed exchange rate system and the managed float system. The Exchange Rate Mechanism (ERM) restricts the fluctuation of member currencies to 2.25 per cent (6 per cent in the case of the Italian lira). After much opposition, the UK entered the ERM only about a year ago through the efforts of John Major (the current PM of UK) although the sterling had been included in the basket of currencies which determine the ECU all the while. For UK, resistance towards the EMS lies with the fact that the sterling would have to compete with the German mark and so lose its status as an investment currency.

Secondly, the Common Agricultural Policy (CAP). Article 39 of the Treaty of Rome outlines the CAP's objectives which are to increase agricultural productivity, to ensure a fair standard of living for people in the agricultural sector, to stabilize the risky agricul-

tural markets and to ensure reasonable consumer prices. A common fund was set up which would provide assistance to farmers in terms of technology and subsidies. The source of these funds were mainly contribution from member states and tariffs levied on food imports on non member states. The problem arises because some countries like UK and Germany are industrialized countries and so are net importers of foodstuff. On the other hand, they do not receive much from these funds since their agricultural sectors are relatively much more efficient. Furthermore, UK for example, receive cheap food products from her ex-colonies. This, they claim, results in an unfair situation. Other less developed members like Ireland, Portugal, Spain and Greece gain from these subsidies and technological guidance and a wider market. The debate still goes on the CAP until some kind of Pareto optimum is reached.

Lastly, the question of the value added tax (VAT). The elimination of border controls would eliminate inter-country documentation and so the monitoring of movement of goods would be cease to exist. Without any documentation, the VAT would be difficult to implement. Tax evasion would also be rampant. The Commission's, proposal is a two rate system, *i.e.*, a standard rate interval of 14-20 per cent for most goods and services and 4-9 per cent for basic necessities. With these intervals, if they are any differences in the VAT, it would not be lucrative enough for tax evasion to occur. To ensure members do receive their allocation of tax, a central account (similar to the banking system) will be set up where tax revenues will be added or deducted.

We are not suggesting that the EEC model is an ideal model. But one has to accept the fact that it is the only practical model available to us at this point in time. To copy this model, one should take into account the pros and cons. This marriage of countries would benefit some while others would suffer losses, but only in the short term. In the long run, all members would benefit from these mutual agreements.

PART II

A SURVEY OF ASEAN

The Association of South East Asian Nations consist of 6 member states (Indonesia, Malaysia, Thailand, Singapore, Philippines and Brunei) covers an area of 3.07 million sq km and a population of 306 million.

In 1959 the initial step towards sub-regional co-operation was brought forth by the first Prime Minister of Malaya, Tengku Abdul Rahman. The Prime Minister with President Carlos Garcia of the Philippines issued a joint statement calling for the formation of a regional association. Thailand agreed but Indonesia, Burma and Cambodia declined to join the grouping. Hence Malaya, the Philippines and Thailand established the Association of South East Asia (ASA). ASA was however, short-lived because of its inefficiency, in that, it was small and it did not have any specific goals and mechanisms to promote its desired intentions. In addition, the call for a larger Malaysian State, *i. e.*, Malaya, Sabah, Sarawak and Singapore, was a death blow to the association. It led to the Confrontation by President Sukarno of Indonesia and the disapproval of the Philippines which claimed Sabah. Meanwhile, in 1963, a Philippines proposal, established MAPHILINDO to paper the differences among the greater Malaya Confederation. The organization soon became irrelevant since its members could not come to terms over the Malaysian entity.

Two events in 1965, the Philippines claim to Sabah was de-emphasized and the suppression of the coup in Indonesia that lead to the swift diminution of Sukarno's power and influence, were more promising for South East Asian regionalism. By 1967, an official cessation of hostilities and the formation of some form of regional organization was in order. A declaration was signed in Bangkok in August, 1967 by foreign ministers from Indonesia, Malaysia, Philippines, Singapore and Thailand establishing the Association of South East Asian Nations (ASEAN).

The primary purpose of the Bangkok declaration is "to accelerate the economic growth, social progress and cultural development of the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South East Asia."⁵ Despite the proclaimed ASEAN emphasizes on its objective. ASEAN development was overshadowed by the rapprochement between the U.S. and China, the war in Vietnam and negotiation between the U.S. and North Vietnam in Paris. Hence, political cooperation continued to be its chief activity. Similarly, the 1976 Treaty of Amity and Cooperation, and the declaration of ASEAN Concord made specific steps toward co-operation that reads, "endeavor to promote peace, progress and prosperity and the welfare of the

people of member states.”⁶ Again, the 1978 invasion of Kampuchea by Vietnam has made ASEAN diplomatic unity stronger. It was the starting point of a strengthening ASEAN diplomatic consultation mechanism which has become since then one of the most successful corner-stone in ASEAN activities.⁷ There is a wide acceptance to the statement that described ASEAN as “a political success by a semi-failure economic wise.”⁸

ASEAN IN THE VILLEGAS MODEL

Reassessment of ASEAN's progress at forging intra-regional economic co-operation through the Villegas model will indicate dismal economic co-operative performance. One cannot deny that the immense volume of work flowing from lower level working groups, consultative bodies, studies groups and seminars conducted by and on ASEAN for the last two decade is impressive. Notwithstanding the achievements, there are only three collaboration agreements (1) the Preferential Trading Agreement (PTA) signed in 1977, (2) the ASEAN Industrial Complementation Agreement (AIC) and (3) the ASEAN Industrial Joint Venture Agreement (AIJVA). The three agreements have been pressed further in the face of the EEC's single market in 1992 and the U.S.'s free trade pact with Canada.

The first step towards establishing an ASEAN *free trade area* in the PTA. Under the scheme, each ASEAN member state is granted 25 per cent and 50 per cent tariff discounts on goods imported from member states.⁹ It is not clear whether this is applied across the board or for the 18,000 items already listed.

The second step in the model is *custom union*. ASEAN has three major dialogue partners: (1) the U.S., (2) EEC and (3) Japan. In 1983 the US suggested a free-trade zone, now known as the ASEAN-US Initiative (AUI). It was established to enable ASEAN to gain greater market access to the US. In 1985, ASEAN has listed the US as the second largest export market. It is believed that the US would remain to be an important market for the association. The inaugural of ASEAN-EEC Ministerial Conference was held at Val Duchesse in Brussels in 1978. It took five years and regular meetings, *i.e.*, until 1983, before ASEAN-EEC looked at the economic matters. Nevertheless, ASEAN's export to the EEC was valued at US \$ 7,053,000 which was behind the US and Japan in 1979. Japan-ASEAN Forum (JAF) was established in

March 1977. Without further discussion on behind the scene haggling and its development, the relationship between ASEAN and Japan has been rather balanced. That is, Japan's capital equipment, consumer goods and technology are exchanged for oil and gas, other raw material, and hopefully lead to manufactured goods. Today, Japan still holds the second ranked trading partner of ASEAN. Although these figures are respectable, each individual member states sometimes prefer to do it all alone.

On the other hand, *i.e.*, the import side—hence building a common traffic barrier to the region, has been somewhat dismal. At best, on the whole, it can be summarized from the findings of a survey on European business attitude towards ASEAN. European businessmen regarded internal trade barriers and complexity of investment regulations to be the primary obstacles. In addition, impediments to penetrate ASEAN were the diversity of rules governing the establishment of companies. Hence, there is no common tariff barrier, rule of investment and so forth.

The third step in the Villegas model is the *common market*. In an attempt to promote resource pooling, the ASEAN Complementa-tion Agreement was established in 1972. High priority was given to complementation programs for fertilizer, motor vehicles, agricultural machines, salt-based industry and the rubber industry. Impressive as it may seem, only few programs went off the "ground". One example is the integrated ASEAN automobile industry. Final discussion of its implementation took place in Jakarta in 1983, and hence, it took more than a decade to obtain the approval of the economic ministers. Meanwhile, Malaysia decided to produce its own automobile, which rendered a serious blow to the ASEAN automobile complementation program.

The private sectors gave an impetus to the creation of the AIJV because the basic form of industrial investment in the region was joint venture between domestic and foreign investors. It is also an incentive that prompted ASEAN to consider market sharing by allowing domestic industry to free themselves from the constraints of a limited market at home. In May 1984, the first two projects went underway. One is owned by Malaysia majority, which involves constant velocity joints. The other project is frit and motorcycle assembly parts in Thailand.

TABLE 1. ASEAN INDUSTRIAL JOINT VENTURES

<i>Countries Involves</i>	<i>Projects</i>
1. Malaysia	Constant vehicle joints rack and pinion
2. Thailand	Frit and motorcycle parts
3. Thailand, Malaysia, Japan	Frit plant-making pottery glaze in ceramic industry
4. Malaysia and Brunei	Paper
5. Thailand and Indonesia	Potash feldspan quartz
6. Thailand and the Philippines	Slaughter meat

Source : Palmer R.D. and Rechford T.J., *Building Asean*, 20 Years South East Asian Cooperations, Center for Strategic and International Studies, Praeger Publishers, New York, NY 1987, p. 96.

The economic ministers further agreed to increase the margin preference for AIJV projects from 50 per cent to 75 per cent to encourage more foreign investment in such projects.

The majority of these promoted joint ventures as well as the industrial complementation projects only brings indirect benefits, at best, to the majority the region's population, and hardly for the poorest, *i.e.*, rural areas. An example of a direct rural benefit was the two fertilizer plants in Indonesia and Malaysia. Although ASEAN has contributed to the welfare of urban residents, it has done little towards the set goal of contributing to the welfare, social justice and equity of the poorer segments of the rural population.

ASEAN IN THE EEC MODEL

The EEC model provides us with a practical model for comparison as opposed to the Villegas model which is purely theoretical. The EEC model allows us, at least to imagine, a time frame involved between one step to another towards the formation of an economic union. As far as the EEC model is concerned, ASEAN hasn't even reached the first step of the free trade area. Even if the 25-50% reduction under the PTA is for all goods¹⁰, it is not a complete free trade area. Nevertheless, the move towards this reduction is highly recommendable. There is, however, an inconsistency between this latest move of the economic ministers

and their decision in 1986 in Manila to increase the margin of preference from 50% to 70% for AIV projects. Hence, there are, in actual fact, two different treatments for products that are produced locally. If on the other hand, a 100% tariff discounts, (*i. e.*, trade area) is implemented for all goods produced with ASEAN, it will not only encourage local investors but also foreign investors. This is because, the market for these goods has been enlarged to 300 million people. We have to emphasize here that ASEAN should look more toward developing its local market rather than hoping for greater access into the international market.

In numerous occasions, Indonesia has been adamantly reluctant to open its frontiers for a free trade area.¹¹ This reluctance does not have any strong economic basis. If a free trade area were to exist in the ASEAN region, yes, Indonesia having 61% of the ASEAN population would be flooded with goods from other member countries. However, Indonesia also has the lowest GDP per capita in the region, *i. e.*, US \$ 477 in 1988. (See Table 2) Even if its markets were flooded with goods, the purchasing power of the majority of the population will not be sufficient to afford these goods. Producers would then have to cut cost in order to provide Indonesians with affordable prices. Since most consumer goods produced in this region is labor intensive, producers would then, relocate their plants to Indonesia which provide cheap labor. In the long run, not only would the GDP per capita of Indonesia increase, but it would also alleviate the rampant poverty problem in the country. At the same time, other 'richer' countries like Singapore and Brunei would gain from cheap goods produced by Indonesia.

TABLE 2. ASEAN : GDP per capita* in US \$

	1988
Malaysia	2047
Thailand	1090
Singapore	9268
Brunei	NA
Indonesia	477
Philippines	660

Source : *Country Profiles*, Economist Intelligence Unit,
UK (various issues)

*at market prices

Then, what would happen to middle income countries like Malaysia and Thailand? If the *laissez faire* system were to be allowed, these countries would move into more capital intensive manufacturing industries and the growing service industries. This would in fact be in alignment with the economic plan of Malaysia and Thailand.

A free trade area would also reduce resource waste. An example is the oil refineries in Singapore, Malaysia and Indonesia. Singapore, right now holds the comparative advantage for oil refinery. But, Malaysia and Indonesia have begun to set up their own refineries in order to avoid tariff which would be imposed when oil is re-imported. Without this free trade area, resources would be wasted in the construction of these refineries. At the same time, this would reduce the efficiency of these refineries when economies of scales is not achieved.

After 20 years of ASEAN, the only concrete economic achievement has been in the ASEAN Industrial Joint Ventures. Even so, there are only a handful of these projects that are successful. We wonder what the objective of the AIJV's is. If the objective is towards resource pooling, AIJV should be left to the free market mechanism with minimal government intervention. The government's role would be only to provide attractive incentive to set up these projects. This would provide competition among member countries to create better investment climate. It could then ultimately lead to the complete abolition of tariff and thus, allowing for a free movement of goods, services, capital and people. Therefore, a path towards a single market. On the other hand, if AIJV project is formed on a case-to-case basis, it is a waste of time and resources. We say this because there is no substantial economic impact whether at a member country level or ASEAN as a whole.

There are allegations that ASEAN economies "tend to be competitive with each other, not complementary."¹² In this case, we tend to agree with Villegas in that a complementary relation can exist if the law of comparative advantage and a Free Trade area is established within the region. To illustrate the point, the price of rubber in Indonesia is lower to that of Malaysia. A free trade area would then push more buyers to Indonesia and this will have two effects. Firstly, the demand for rubber in Malaysia would decline and using the law of comparative advantage, Malaysia rubber producers would switch to, perhaps palm oil. Secondly,

the increase in the demand in Indonesia would push up prices and so Malaysia would be able to maintain its production. This simplified example shows how competitiveness can be reduced to a more symbiotic relationship. Furthermore, through cooperation, external market bargaining power can be achieved for rubber and other commodities like palm oil, tin, cocoa, timber and may be even crude oil (with the current Middle East Crisis).¹³ Based on the EEC model, it is important to note that the issue of agriculture is a sensitive one as it is seen as a political issue.

Further counter argument against this allegation, can be seen from Table 3. A common trend among ASEAN countries is the increasing role of the manufacturing sector towards the GDP (exception are in the case of the Philippines and Brunei). We opine that specialization according to comparative advantage and complementary relationship could exist to a larger degree in the manufacturing sector. Even now, Thailand and the Philippines tend to specialize in food processing industries, Malaysia in electronic and electrical industries, and Singapore in hi-tech and heavy industries.

TABLE 3. ASEAN: PROPORTION OF AGRICULTURE AND MANUFACTURING SECTORS TO GDP (IN %), SELECTED YEARS

	Indonesia			Malaysia			Philippines			Singapore			Thailand		
	78	83	88	78	83	88	78	83	88	78	83	88	78	83	88
<i>Agriculture</i>	31	22.8	24.1	25	21.1	21.1	27	24.9	27.4	2	1	0.4	27	20.4	16.4
<i>Manufacturing</i>	9	12.7	18.5	17	17.9	24.1	25	25.1	24.9	26	20	30.2	18	21.3	24.4

Source: Country Profiles, The Economist Intelligence Unit, UK (various issues)

World Bank, World Development Report 1980.

As far as ASEAN's organizational structure is concerned, what exist now is a triangular structure with the Heads of States (Summit) at the helm and the foreign and economic ministers at the two bottom ends. Both these ministers can propose directly to the summit.¹⁴ However, the objective of ASEAN, as mentioned earlier, is still political and security cooperation. Hence, the foreign ministers are in the forefront while economic ministers try to get noticed. We believe that, firstly as long as ASEAN's main

objective is political and security cooperation, such system will prevail. Only when economic cooperation is emphasized, can the economic minister come to the forefront. Secondly, these two functional roles have different objectives and so there would be conflict in making policy decisions. For instance, if the economic ministers propose a complete free trade area for ASEAN, the foreign ministers might oppose on the grounds of surrendering national sovereignty. Thirdly, these individual ministers represents their own country. Therefore, when it comes to decision making, they would agree only if their national interest is served. As such, ASEAN entity will be at stake for mere short term cost of member states.

Based on the EEC model, we propose that a commission consisting of several members of each state should be established. The members of this commission would be independent of their own national interests but will serve to the benefit of ASEAN as a single entity. They would make proposals both on economic and political matters to the Heads of States. In this way, the existence of the economic and foreign ministers would become redundant. This will not only enhance efficiency but also serve ASEAN's interests.

PART III

RECOMMENDATIONS

Having analyzed ASEAN in the light of Villegas and EEC model, we conclude with the following recommendations :

1. An extensive cost and benefit analysis should be undertaken (Similar to the Cecchini Report in the case of the EEC) to evaluate a complete free trade area for ASEAN. If the above analysis proves to be feasible, then as a first step towards a common market, a complete free trade area should be established with the ASEAN region.¹⁵
2. ASEAN should reconsider the aims and objectives of AIJV projects. We recommend that the AIJV projects should be left alone to the free market mechanism with government intervention only in creating better investment climate.
3. The creation of an independent ASEAN commission would make proposals to the Heads of States and execute the declaration passed by the summit. Unanimity in the decision making process should be maintained in order to avoid domination by

one member country. In addition, it would also be a cause of unity among member states.

4. For any plan made for ASEAN, a time frame and a deadline must be set. (1992 in the case of EEC). This would ensure the various committees and organizations of ASEAN strive to achieving their goals within a specific period. This is simply an efficient management practice. □

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APPENDIX 1

THE FLOW OF EVENTS WHICH LED TO THE FORMATION
OF THE EUROPEAN SINGLE MARKET

- 1951 – Treaty of Paris. Setting up of the ECSC
- 1957 – Treaty of Rome. Setting up of the EEC and Euratom
- 1961 – The Six aim for political union
- 1962 – Basic features of CAP agreed
- 1965 – Internal Tariffs lifted. Common external tariffs come into effect
- 1967 – Merger of ECSC, EEC and Euratom into one EEC
- 1968 – Customs union achieved. CAP agreed. Common Transport Policy agreed. Single market for dairy and beef products implemented. Removal of barriers for free movements of workers
- 1969 – Plans for full monetary and economic union by 1980 submitted
- 1971 – Common Fisheries Policy agreed
- 1972 – Introduction of alignment of member states currencies. First summit meeting of heads of governments and becomes the European Council
- 1973 – Enlarged to 9 with the entry of UK, Ireland and Denmark
- 1974 – Establishment of Regional Development Fund
- 1978 – Agreement to set up the European Monetary System
- 1979 – First direct election to the European Parliament. EMS comes into operation
- 1981 – Entry of Greece as a full member
- 1983 – Common Fisheries Policy comes into effect
- 1985 – Approval of White Paper eliminating 300 barriers including taxation, individual standards and physical barriers by 1992
- 1986 – Single European Act signed by all except Ireland (agreed in 1987). Entry of Portugal and Spain into the Community. Several restrictions on capital movement lifted
- 1992 – Dateline for a complete common market.

SPECIAL EDUCATION IN COMMUNIST CHINA HISTORY, ISSUES AND FUTURE

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ABSTRACT

This article examines the history, present situation and future trend of special education in mainland of China. It analyzes cultural, philosophical and economic causes that hindered the development of special education. Some comparison between mainland of China and Taiwan, between mainland of China and the United States are also provided.

HISTORY :

Special education in China can be retrieved back to 19th century. In 1870, the first school of special education was set up in Beijing by a British clergy man, Partor William Moore, enrolling the blind children only. In 1887, Mrs. Annettd Thompson Mills (1853-1929) from the United States built the first school for the blind, deaf and mute children in Shandong province. The first public school of special education was established in Nanjing in 1927. As special education was about to grow, there broke constant wars— from 1938 to 1949, there were the War Resistance against Japan, and then, the Civil War. Due to these social chaoses, special education was extremely underdeveloped. In 1949, there were only forty-two schools for the blind, deaf and mute, with about two thousand students.

After the new government was established in 1949, some efforts were made to develop special education. In 1951, the Administration Council of the Central People's Government decreed in a document— "Decision on Reform of the Educational System"— that governments at all level should set up educational establishments for the handicapped including the blind, deaf and

mute, and other physically disabled children, youths and adults. The decision became a catalyst for the growth of special education throughout the country. By the end of 1965, the number of schools for the blind, deaf and mute had jumped to 266 with an enrollment of 22,850 students. During the Cultural Revolution (1966-1976), the development of special education came to a halt, and entered a new phrase after the nation's period of restoration, rehabilitation and rectification. By the end of 1987, China had 18 schools for the blind, 46 schools for the blind and deaf-mute, 350 schools for deaf and mute, 90 schools for mentally retarded, and 578 classes for mentally retarded affiliated to ordinary elementary schools. There were totally 52,876 students in special education, with 2677 blind, 40,262 deaf and mute, and 9937 mentally retarded. The purpose of special education is to train handicapped students to be independent workers who love the country, society and life, who have integrity and necessary knowledge and work skills and who are able to live and develop healthily.

The schooling varies : for the blind, five or six years of elementary school and three years of junior high schools ; for the deaf and mute, eight years of elementary education and three years of junior high ; for the mentally retarded, six or nine years.

The curriculum also follows the principle of training students morally, intellectually and physically. It contains courses in ethics, Chinese language, mathematics, social and natural sciences, fine arts, sense of rhythm, sports, work skills, etc. However, different schools have different emphasis to meet their needs. Schools for the blind lay special stress on music to enhance the students' love for life and on skill training to sharpen students' sense of touch and direction for working skill. Schools for deaf and mute pay particular attention to vocal training, to develop the students' ability to speak and lip-read. They also stress exercise and sports to develop the students coordination and physical strength. Classes for the mentally retarded underline music, sports and games to help develop the students' thinking and study ability. The students with mental retardation can remain in schools up to 18 years old.

About 6014 teachers are engaged in special education throughout the nation. The State Education Commission has opened a normal school in Nanjing to train special-school teachers of all

types for different parts of the country and to give mid-career training to those already at work. Similar schools and training centers have been run by local governments to meet their own needs. Several special textbooks and teaching materials have been compiled and published for the various needs of handicapped children.

ISSUES :

Special education in China is underdeveloped though it has made some progress since 1949. Special education still fails to meet the actual needs. There is no national statistics about the number of mentally retarded, learning disabled and emotionally disturbed (In China, mentally retarded may include learning disabled and emotionally disturbed). The sample survey of Shanghai in 1979 shows that there were 270 mentally retarded students, covering 1.2 per cent of the total 23000 students surveyed (China Education Yearbook 1949-1981). In 1979, the total number of students in both elementary schools and secondary schools is 205678600. If 1.2 per cent is a true ratio, there should be 24688143 students with mental retardation. The maximum student number in each class is twelve, so there should be 2057345 classes for students with mental retardation. In 1987, the total number of students in both elementary schools and secondary schools is 177839600. If the ration of 1.2 per cent can still used, there should be 2134075 students with mental retardation. The classes for the mental retardation should be 177839, but there were only 90 schools for mentally retarded, and 578 classes for mentally retarded affiliated to ordinary schools (China Education Yearbook 1988). Even though we have no idea about how many classes are in each school for mentally retarded, we are quite sure that it is impossible for each school for the mentally retarded to have 1969 classes. Thus, there is a very big gap. In other words, a lot of students with mental retardation were not identified and served in special education.

The real number of students with handicaps may be much higher, including the blind, deaf and mute, mentally retarded, learning disabled and emotionally disturbed. The reason is that a certain number of students were not in school and were not counted officially. The sample survey in Shanghai mentioned above may be applied to cities. But for the vast countryside, the situation is

different. Shanghai is the biggest city in China and the percentage of school-aged children who go to school is among the highest regions. However, in the remote rural areas, the percentage of school-aged children who attend school is no more than 80 per cent. Further more, rural population covers more than 80 per cent of the whole population. So, the real number of students with handicaps should be much bigger.

Chinese society is merit-based one. People view education as an important way to bring their families fame and prestige. If their children can achieve well in schools, they will push them through all three levels of educational system. On the contrary, if the performances of their children are not good, both parents and children will be looked down upon. It is obvious that the children with handicapped condition can't perform well in schools. A great deal of parents are afraid of sending these children to schools, but just keep them at home. The official number of students with handicaps should be much lower than the real one.

Chinese culture is an obstacle for the development of special education. For thousands of years, Chinese people viewed education as a social ladder to climb up in society and the only way to change their social status was through formal education. German sociologist Max Weber made a good analysis of this issue : "For twelve centuries social rank in China has been determined more by qualification for office than by wealth. This qualification, in turn, has been determined by education, and especially by examinations. China has made literary education the yardstick of social prestige in the most exclusive fashion, far more exclusively than did Europe during the period of humanists, or as Germany has done" (Gerth and Mills, eds, 1977, p. 416).

According to Confucian, whose thought dominated traditional Chinese society for thousands of years and still influences today's society, the purpose of education was threefold. The first was to produce the perfected sage. The second was to supply the right kind of people to assist in the administration of government— good officials. The third was to teach common people to love each other and to follow certain social norms and support the social order, so that they will not rebel (Niu 1990, p. 13-19).

If parents believe that their children can succeed in school, they will make all efforts to support them. But once they lose their confidence, they will go to another extreme, viewing education

as no value. This is why Chinese parents are not willing to put their children into special education in the United States even though some Chinese children do need special services.

Special education in the United States is based on the philosophy that everyone is born equal. But in China, this philosophy is not prevailing. On the contrary, Chinese society is hierarchical one based on the idea of Confucius, that is, the idea of rectification of names—the ruler must be a ruler, the subject a subject, the father a father and the son a son is an important part of his thought. Everyone should support the social order and behave in society according to his or her social status. Special education relies on the philosophy of welfare, which is quite different from the philosophy of “All men are created equal”.

Due to the different philosophies, the results are not the same. According to Longman Dictionary, the word “welfare” means “help with living condition or social difficulties”. The philosophy of welfare means that if those students with handicapped condition have some problems and require for help, the society just do something for them. The philosophy of “All men are created equal” implies that educational opportunity for all children—the right of each child to receive help in learning to the limits for his or her capacity, whether that capacity be small or great (Kirk 1936, p. 4). Not like the special education in the United States, the right of education for the children with handicapped conditions is not mandated by law in China. In addition, Chinese culture does not favor the development of special education. These factor hindered the growth of special education.

Economy is another obstacle for the development of special education. It is clear that special education needs more money than general education. For example, in this country the maximum number of students in a special education class is around ten, but the average number of students in a general class is around thirty. In other words, each student in special education needs extra 60–70% of funding. In China, as early as 1956, the Ministry of Education issued a regulation that the funding for special education school could be one to three time of ordinary school (China Education Yearbook 1949–1981). In 1981, there were 33497 students in special education with 4861 teachers. It is clear that the ratio between student and teacher is less than 1 : 10. Chinese government has to spend more money to hire special education

teachers. If facility is considered, the expense for each student in special education will cost much more.

Actually, the funding for education has been and is always limited in China. If Gross National Products (GNP) is used as an indicator, China is among the poorest countries in the world. Even though GNP is not used as an indicator, as someone argued that in the Third-World countries a lot of things are not in monetary arrangement, China is still poor in education.

The article in *People's Daily* noted in 1980 that because of the shortcomings of rural education, only 60 per cent of China's children graduated from a primary school and only 30 per cent reached a fifth-grade academic standard (*People's Daily*, p. 1, April 19, 1980). But the schools would have to hobble along as best they could on their own local resources. The newspapers, in fact, were turning once more to promoting the half-work/half-study system as a financial prop for rural schooling (Unger 1982, p. 209).

Kwong revealed what she had seen about the schools in the rural areas in China. The urban schools were better than rural ones. Even the best schools she visited in rural Canton province, for example, were transformed community temples where she could see the sun shining through roof. The rural schools in Shanxi province were equally spartan and her hosts informed her that there were even more dilapidated ones in the isolated areas. Perhaps more important than the lack of facilities was the fact that these schools did not have qualified teachers. Many high school graduates taught high school. Her hosts frankly assured her that this was not unusual (Kwong 1983, p. 101).

The Circular on Raising Funds for Rural Areas published in 1984 read as following: the present conditions in rural areas were poor. They lacked educational funds. The salaries of primary and middle school teachers were too low, seriously impeding the development of education in rural areas (Hu and Seifman 1987, p. 189).

In such a poor situation, Chinese government has to place general education as the first priority. It has to use the limited funding to develop general education. It is almost impossible for the government to provide special education with enough funding for its development. I have stated above that Chinese culture hindered the development of special education, but it is not the only barricade. Economy plays an important function of the

development of special education. We can use the case of Taiwan to prove this.

It is known that Taiwan and the mainland of China share the same Chinese culture. However, the development of economy followed different paths. As a result, the development of special education is different. When the Nationalist government retreated to Taiwan in 1949, the most important task for them was to develop economy. During the period of 1950s and early 1960s, the development of special education was at a very slow speed. By middle 1960s, the Taiwan government achieved a great success in economy and became financially strong. As a result, government had enough money to be used in education. In 1968, Taiwan government issued 'Regulation on Nine Year National Education'. The tenth item of it said : "For those who are physically handicapped, mentally retarded, and intellectually gifted, special education should be provided to meet their capacity" (Wang 1981, p. 5). Several other regulation were issued to develop special education. From then on, special education in Taiwan entered a new era of its development.

The comparison with the economic development of Taiwan the economic development of mainland of China is very slow. Different political system and constant political struggles, such as the 'Big Leap Forward' in 1958, 'Socialist Campaign' in 1964, the 'Cultural Revolution' from 1966-1976 and other political struggles in 1986 and 1989, greatly blockaded the economic development. As a result, not enough funding is available for the development of education, especially for special education.

The quality of teaching staff is the third obstacle for the development of special education. If we look at the requirements to be a special education teacher, it is easily found that these requirements are very low. In the United States, the general requirements of teacher who teach special education is at least bachelor degree in special education or bachelor degree with certain credits of special education. In Taiwan, bachelor degree of special education is required to teach in special education. In mainland of China, any graduates from a secondary normal school with half year training can teach in special education. In the United States and Taiwan, there are a lot of colleges and universities to train teachers in special education. But in mainland of China the only special education normal school was just set up in

Nanjing in 1980. The school enrolls graduates from junior high schools and provides four years training. The graduates from this school will be directly assigned to teach in special education.

Compared with other countries, it is obvious that quality of special education teachers in China is low. One of the most important characteristics of special education is to meet the individual need. To reach this goal, a wide range of general knowledge and specific professional knowledge are vital.

According to Harbinson, human resources constituted the ultimate basis for the wealth of nations. Capital and natural resources were passive factors of production; human beings were the active agents who accumulated capital, exploited natural resources, built social economic and political organization, and carry forward national development. Clearly, a country which was unable to develop the skills and knowledge of its people and to utilize them effectively in the national economy would be unable to develop anything else.

Beside poor funding and facilities, the quality of teachers in special education in China failed to meet this requirement. Consequently, the quality of special education would be poor, which in return will obstruct the development of special education.

FUTURE

The future trend of special education in China remain hard to predict, but still we can find some signs by analyzing the history and the change of present society.

In retrospect of the development of special education in China, it is easy to see that special education concentrated on the education for the physically handicapped— blind, deaf and mute. The education for mentally retarded started only in 1979, mainly for the mildly retarded. The education for the moderately retarded is only on the stage of experiment and the education for the severely retarded is not within consideration. The term 'emotionally disturbed' appeared in early 1980s. The word 'learning disabled' is not in the terminology of special education. But no classes for emotionally disturbed and learning disabled formal exist in special education.

Although the Ministry of Education issued some regulations of special education, they were only about the education for the blind, deaf and mute. The first regulation for the mentally retarded was

issued in December, 1987. These regulations are only documents from the Ministry of Education, not laws. Thus, the right of the children with handicapped condition has not been mandated.

The training of special education staff is at the initial stage. Only one secondary normal school provides formal special education training for the whole nation and there are several training-center to supply in-service training.

Special textbooks and teaching materials are compiled and published to suit the special needs of blind, deaf and mute students. Some local governments have taken pains to compile special textbooks for retarded children. The curriculum for the education of blind, deaf and mute, and mentally retarded have been set up.

There are several prediction about the development of special education. Although the development of special education during the past forty-two years was slow, it will not stop and will definitely continue to grow, especially the education for the physically handicapped— blind, deaf and mute, and the education for mentally retarded, no matter what philosophy exists and how fast the development of economy is. These children are visually here. The government has to provide certain service for them. However, the speed of the development is hard to estimate. It may depends on the change of philosophy in education and the situation in national economy.

The critical issue is about the education for emotionally disturbed and the education for learning disabled. The government can just ignore the existence of such children. They can also admit that there are such children in China. So far, they haven't appeared officially in school system. Does China have such kinds of children and need such kinds of education? Personally, I think that the answers are positive. First of all, there existed such kind of children in China. During the forty-two years, they have been identified for different reasons. Let us take learning disabled as an example. According to Kirk, brain dysfunction, genetics, environmental deprivation, malnutrition, biochemical factors are causes of learning disabled. Physical conditions, environmental factors, motivational and affective factors, and psychological conditions are contributing factors of learning disabled. Among these causes and contributing factors, there are only one or two different in China, such as environmental factors. So there should be such kind of children in China. Actually,

when Shanghai began to run classes for mentally retarded, on experimental basis in 1979, among those labeled mentally retarded, there could be learning disabled and emotionally disturbed because the labeling was only based on academic achievement. To my own knowledge, some of my former students did match the definition of learning disabled though they were not labeled.

Not only those children existed in China, but also with the change of Chinese society, there may be more such kind of children. As we know, family pressure is one of the important factors causing learning disabled and emotionally disturbed. In 1950s and 1960s, divorce is rare in China, but since 1970s the number of divorced couples keeps on increasing. The national statistics shows there are 170449 couples divorce in 1978, 192894 couples in 1979, 210930 couples in 1982 (Li 1988, p. 71-72). With the change of family, there may be more and more children of learning disabled and emotionally disturbed no matter what kind of terms to be used.

With these changes, there will emerge the needs for more professional personnels, for more teaching materials, for more facilities, for more theories and more methods of instruction. But the speed of the development of special education will be much slower than the developed countries like Japan and the United States due to both philosophical and economic factors. It will be even slower than Taiwan though culture is the same, but economy is different.

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PARTY LOYALIST: Charles E. Townsend and the Presidential Election of 1912

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Ignored by historians and largely forgotten by the people of his native state, Charles Elroy Townsend, United States Senator from Michigan from 1911 to 1923, was a prominent public figure in early twentieth-century Michigan history. Born near Concord, Jackson County, Michigan, on August 15, 1856, he graduated from Jackson High School in 1877. He taught school at Concord (1881-1886) and worked as register of deeds (1886-1897) before becoming a lawyer in 1895.¹ Elected as a Republican to the national House of Representatives, Townsend represented Michigan's Second Congressional District from 1903 until his elevation to the upper chamber of 1910, defeating the stalwart Senator Julius Caesar Burrows (1837-1915).² While in Congress, Townsend gained a reputation as an original insurgent for his support of federal regulation of railroads and a revision of the House rules.³

Although known as a progressive Republican, Senator Townsend declined in 1912 to endorse the presidential candidacy of former President Theodore Roosevelt (1858-1919), head of the Progressive (Bull Moose) ticket. Instead, Townsend threw his support to William Howard Taft (1857-1930), the incumbent chief executive. In January, Townsend notified Charles Dewey Hilles (1867-1949), Taft's secretary and preconvention manager, that he planned to take a speech to circulate in Michigan and wanted a statement from the White House that would rationalize Taft's renomination.⁴

Upon assembling the material received from Washington, Townsend, in a lengthy speech at Adrian, Michigan, on February 14, outlined his reasons for favoring Taft. First, he contended that the failure to renominate a leader willing to serve a second

term was tantamount to a repudiation of his administration and equivalent to a condemnation of the party responsible for that administration. A renomination was not only good party principle based upon precedent but also afforded the incumbent, if elected, another four years in which to accomplish his goals. Townsend admitted that a party should repudiate an inefficient or dishonest leader, but that situation did not apply to President Taft.⁵

Townsend clearly grasped the fact that the colorless and corpulent Taft had succeeded a highly dynamic and popular president who had aroused the public conscience. According to the Michigan Senator, both Roosevelt and Taft were great and good men, but their methods differed considerably. While Roosevelt was the master of advertising, Taft took a more deliberative and quiet approach. This judicial temperament, thought Townsend, appeared dull or unsuccessful in the public mind after nearly eight years of a young and energetic proponent of public opinion. In other words, Taft's fault in not achieving popularity was in placing proper methods above personal ambition. Attempting to harmonize contending functions within the Republican party, Taft, a nonpolitical person, failed to use patronage as an effective weapon for maintaining party control.

Townsend mentioned that the controversial adoption of the Payne-Aldrich Tariff early in Taft's term contributed to the misunderstanding and set the stage for further disappointments that overshadowed the progressive successes Taft enjoyed in other areas, such as vigorous prosecution of the trusts. The GOP platform of 1908 had demanded that tariff revision, a volatile issue adroitly sidestepped by Roosevelt, be resolved by the next administration. Taft wished to fulfill this pledge to the American people, but like President Groves Cleveland (1837-1908) before him, he learned the hard way about diverse American interests and the politics of protectionism. The finished product resembled a crazy quilt pattern vastly different from its original inception. Taft received the blame for a failed measure framed according to the old methods of revising the tariff. Yet the president considered the new act to be better than the existing Dingley law for meeting a deficit in the treasury. Townsend supported Taft in the endeavor to preserve the principle of protection without excessive duties, but both had hoped for a tariff revised scientifically so as to meet the demands of the country.

In addition to endorsing Taft's record on conservation and domestic legislation, Townsend claimed that the American people had in Taft a wise and safe individual to conduct foreign policy. Believing that war was an incident of barbarism and that peace signaled the condition of highest civilization, Townsend praised Taft for his lead in the world peace movement. The Michigan legislator predicted in this connection that the day would dawn when war would not be tolerated by Americans until all other means of redress had been exhausted.

Townsend concluded that Taft could have saved some enemies and made more friends if he had adopted a different course. Yet he approved of Taft's determination to conduct the government on a sound business basis and extolled the president for his high moral character, intellectual ability, and wide international experience. He chastized self-seeking progressive Republicans for discrediting Taft and wanting publicity for their selfish interests. For his part, Townsend confessed that he was not willing to sacrifice principle for success. "I would rather go down to defeat," he said, "fighting for the cause I believe in and for which the fathers established the party than to win in any other manner."⁶

Responding to an invitation from the editors of *American Magazine* to summarize his Adrian speech and explain in writing why, as a progressive, he could endorse the Taft record, Townsend once again saw an opportunity to declare publicly those reasons which induced him to favor Taft and list the achievements that satisfied the GOP platform. He expounded on the theme that the Taft administration, when measured by constructive progressive legislative accomplishment, was unsurpassed in United States history. He wrote :

Look over the history of the country and see if there another administration with so good a record of performance. ... President Taft has more real progressive legislation to the credit of his administration than has any other president since Lincoln.⁷ I shall vote for him because he is more a statesman than he is a politician. ... I shall support Taft because he is the duly certified nominee of the Republican party.⁸

In his magazine article, Townsend characterized himself as a conservative insurgent and a Republican of principle who supported the party. This loyalty had existed as well during the

Roosevelt administration. Turning his attention to the opposition, Townsend harshly vilified the political professional insurgent who, in order to obtain notoriety, preferred to be antagonistic to the administration and members of his own party. He strongly urged the Republican political rebels to be more pragmatic and less dogmatic about their attachment to progressivism so that they would be able more clearly to comprehend Taft's achievements. Describing Taft as 'the most practically progressive' and 'the most reliable' of all the presidential contenders, Townsend, prudently exonerating the GOP leader, insisted that the president had been true to the principles of his party.⁹

Townsend's decision to join the Taft team in 1912 put him at odds with Michigan's Republican Governor, Chase Salmon Osborn (1860-1949), a member of the National Progressive Republican League who favored a third term for Roosevelt. In fact, the Michigan leader joined seven governors in urging the former chief executive to come out of political retirement. Although professing that he was 'an original Taft man' who harbored no hostile feelings toward the president, Osborn, a staunchly progressive politician, wanted to eliminate Taft from the campaign, listing his disenchantment, on the one hand, and Taft's incapacity to win the election, on the other.¹⁰ Taft quickly scoffed at Osborn's suggestion to withdraw from the contest, dismissing the notion as political fantasy.¹¹ Moreover, in spite of offers to repair the relations between the two men and balance the national slate, the governor adamantly rejected the idea of a Taft-Osborn ticket, a proposal considered by some party activists, including Walter Hulme Sawyer (1861-1931), a medical doctor and Hillsdale Republican.¹²

Unfortunately for Osborn, political activity 1912 deviated from its customary role, and he found himself embracing different candidates, including Governor Woodrow Wilson of New Jersey (1856-1924), the Democratic presidential standard-bearer.¹³ Even though dissatisfied with Taft's leadership, Osborn did not leave the Republicans to follow Roosevelt into a third party. Rather, he went on a speaking tour for Roosevelt outside Michigan only late in the campaign, following the attempted assassination that temporarily incapacitated the Bull Moose nominee. As a result of all this meandering, Osborn, resembling a political hybrid, held unsteady allegiances and uneasy loyalties, for he jumped in four

years from Taft to Roosevelt to Wilson and then back to Roosevelt again, eventually supporting Roosevelt as an independent progressive Republican.¹⁴

Unlike the wavering Osborn, Townsend steadfastly remained loyal to Taft throughout the duration of the campaign. Internecine struggles within the party naturally worried the senator as he witnessed a progressive rebellion and saw his progressive colleagues divided between Wilson, Roosevelt, and Taft. He ably defended Taft against all charges from the two opposing camps, refusing to tolerate the idea that the president had deserted progressivism. Townsend proclaimed that Taft was a sincere progressive but also a conservator of the Constitution. In reality, Townsend was correct in recognizing that Taft was more Hamiltonian in his interpretation of the Constitution than generally perceived by a political faction that remained rigidity wedded to a narrow conception of progressive reform.

Townsend found himself in a stronger position within his own state than some other midwestern progressives who were supporting Taft. This was due mainly to the fact that the Taft men controlled the Republican party machinery in Michigan, even though Frank Knox (1874-1944), a Roosevelt supporter and newspaper publisher, chaired the GOP State Central Committee.¹⁵ Townsend also benefited politically in that he did not have to face re-election in 1912, thereby allowing him more latitude in dealing with a divided party. On the other hand, his Michigan colleague, William Alden Smith (1859-1932), the senior United States Senator from Grand Rapids, enjoyed no such luxury due to the expiration of his term in 1913 and his bid for another six years.

During the fall campaign, Townsend visited several states on behalf of Taft. He delivered speeches in Vermont, New Hampshire, New Jersey, and Michigan, among others.¹⁶ On August 20, Taft encouraged his ally to undertake a sojourn to Vermont.¹⁷ In a reciprocal message to the president, Townsend consented to make the trip. "I want to do this," he assured Taft, "not only because you ask it, but because the people up there feel that I could do them some good and I realize how important the Vermont campaign is to the Republican party."¹⁸

On August 30, upon his return to Jackson from Vermont, Townsend dispatched a letter to the troubled Taft, who was then in Massachusetts. The senator reported that he had found Spring-

field to be the hot bed of "Bull Moosism," but he believed that Republican friends there were "loyal and fighting hard" all the time. Having journeyed by automobile from Brattleboro to Springfield, Townsend passed through many towns which constituted the units of political power in that New England state. He talked with the leading local Republicans, who informed him that Roosevelt would have a scant following in their vicinities. These discussions over the Vermont situation had encouraged Townsend.¹⁹

On November 5, Taft suffered an ignominious loss. By carrying only Vermont and Utah, he endured the worst defeat of any incumbent seeking re-election to the presidency. This repudiation at the polls angered Townsend, for he contended that if Roosevelt had not splintered the party, Wilson would not have won the contest. Townsend at least took consolation in the fact that progressivism had triumphed over old guard standpattism in both parties. Moreover, Wilson's victory in a deviating presidential election heralded a temporary Republican decline and inaugurated the Democratic phase of the progressive movement.

Particularly embarrassing for Townsend was the fact that Roosevelt captured Michigan's fifteen electoral votes. This was the first time since the candidacy of Franklin Pierce (1804-1869) in 1852 that Michigan had refused to support the Republican ticket in a presidential election.²⁰ Taft came in second, illustrating once again the Republican preference of the Michigan electorate.²¹ The mixed bag of results revealed profound ticket splitting in the Wolverine State. Republicans won all the state offices except the governorship. There the split between the progressive and GOP gubernatorial candidates helped to engineer the election of Woodbridge Nathan Ferris (1853-1928), a progressive Democrat and teacher who in 1884 had opened the Ferris Institute in Big Rapids.²²

After Taft's defeat, Townsend returned to Washington to resume his career. Re-elected to the Senate in 1916, the year of Wilson's second presidential triumph, Townsend lost his bid for a third term in 1922, falling victim to former Governor Ferris, a highly popular politician who enjoyed a reputation for personal integrity. The success of Ferris can be ascribed to several factors. Fundamental among these was that he ran on a platform of anti-Newberryism, charging that Townsend, by voting to keep Truman Handy Newberry (1864-1945) in the Senate, and by delivering an

impassioned defense of his beleaguered Michigan colleague, favored the use of generous campaign funds.²³ His upset victory earned Ferris the distinction, in a Republican year, of becoming the first Democrat elected to the Senate from Michigan since the formation of the Republican party in the 1850s.

Although defeated in the senatorial contest, Townsend's career in public service did not end in 1922. On April 16, 1923, President Warren Gamaliel Harding (1865-1923) appointed Townsend as a member of International Joint Commission, a group created to regulate the use of the boundary waters between the United States and Canada. He served in this capacity until his death in Jackson on August 3, 1924.²⁴

Townsend represented the people of Michigan during the progressive era in American history. His career closed with the advent of nostalgic conservatism and political negativism that characterized the postwar decade of the 1920s. He also epitomized an age in Michigan history. He actively promoted his views and helped to elect a progressive Republican governor in 1910. Strongly Republican, Townsend, though independent in his attitude toward partisan policies, functioned as an active member of the Michigan Republican party. His role on the state level overflowed to the realm of national politics, reaching its pinnacle in 1912, a year of political unrest. Not influenced by any attempt to promote his personal interests, Townsend was a genuine common sense progressive. He was neither a blind progressive who rebuked those who thought differently nor a synthetic progressive who talked reform but responded in other ways. Instead, Townsend preached political practicability. His support of Taft in the presidential campaign of 1912 demonstrated this philosophy. That election represented a fascinating chapter in a career worthy of consideration and further research.

FOOTNOTES

1. *Biographical Directory of the American Congress, 1774-1971* (Washington: U. S. Government Printing Office, 1971), p. 1826.

2. Beginning in 1910, United States senators obtained their nominations in Michigan primaries, but the state legislature continued to elect them until 1913, after the ratification of the seven-

teenth amendment to the national Constitution. The first popular election of a United States senator in the Wolverine State took place in 1916. See Willis Frederick Dunbar, *Michigan: A History of the Wolverine State* (Grand Rapids, Michigan: William B. Eerdmans Publishing Company, 1965), p. 540. For additional information on the 1910 election, see Robert M. Warner, "Chase S. Osborn's 1910 Primary Election Campaign," *Michigan History*, XLIII (September, 1959), 349-76.

3. "The 'Progressives' Organize," *Current Literature*, L (March, 1911). 244-52; Kenneth W. Hechler, *Insurgency: Personalities and Politics of the Taft Era* (New York: Russell & Russell, 1964); Robert Mark Warner, *Chase Salmon Osborn, 1860-1949* (Ann Arbor: The University of Michigan Press, 1960); *The American Review of Reviews*, XLII (October, 1910), 397; and Alice P. Campbell, "The Bull Moose Movement in Michigan" M.A. thesis, Wayne State University, 1939). Information about an earlier period of reform in Michigan can be mined from the Hazen Stuart Pingree Papers at the Detroit Public Library. Pingree (1840-1901) served as mayor of Detroit and governor of Michigan.

4. Charles E. Townsend to Charles D. Hilles, January 19, 1912, William Howard Taft Papers, Division of Manuscripts, The Library of Congress, Washington, D. C.

5. A copy of Townsend's speech is in the Taft Papers for 1912.

6. *Ibid.*

7. Abraham Lincoln (1809-1865), President of the United States from 1861 to 1865, compiled during the Civil War a remarkable record of legislation dealing with the tariff, banking internal improvements, agriculture, and education, among others.

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15. F. Clever Bald, *Michigan in Four Centuries* (Rev. ed.: New York: Harper & Brothers, Publishers, 1961), pp. 341-42. Also, Norman Beasley, *Frank Knox: American* (Garden City, New York: Doubleday, Doran and Company, Inc., 1936), pp. 77-80. Knox served as Secretary of the Navy from 1940 to 1944 during part of the administration of President Franklin Delano Roosevelt (1882-1945).

16. Townsend to Sherman Allen, March 28, 1912, Taft Papers.

17. Taft to Townsend, August 20, 1912, 1912, *ibid.*

18. Townsend to Taft, August 22, 1912, *ibid.* Also, Taft to Townsend, August 24, 1912, *ibid.*

19. Townsend to Taft, August 30, 1912, *ibid.* For Taft's

courteous congratulatory letter praising Townsend's good work in the campaign, see Taft to Townsend, September 2, 1912, *ibid.*

20. In 1892, Benjamin Harrison (1833-1901), the Republican President, obtained nine of Michigan's fourteen electoral votes in his unsuccessful endeavor to win a second term. Taft easily defeated his Democratic challenger, William Jennings Bryan (1860-1925), in the 1908 presidential election in Michigan.

21. Dunbar, *Michigan*, p. 543.

22. Bald, *Michigan in Four Centuries*, p. 344.

23. Newberry and his supporters were accused of having spent such large sums of money in winning the primary that the total exceeded the limit established by the Corrupt Practices Act. The Republican Senator from Michigan resigned his seat on November 18, 1922. Earlier in his career, Newberry had served as President Roosevelt's Secretary of the Navy from late 1908 to early 1909 after three years as the department's assistant secretary. See Dunbar, *Michigan*, p. 544. Also, Bald, *Michigan in Four Centuries*, p. 396.

24. *The New York Times*, August 4, 1924, p. 13. Also, *The National Cyclopaedia of American Biography* (60 vols.; Clifton, New Jersey: James T. White and Company, 1916), XV, pp. 220-21.

EXISTENTIALISM AS A PHILOSOPHY

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In Europe the new developments in philosophical thought were taking place at the end of World War II and they also made their effect on American thinkers. At the beginning some literary works like stories, novels and plays were written by the early harbingers of France with a new thinking. These new ideas were difficult to understand by the Americans as they usually had an alien and somewhat gamy flavor, but these intriguing literature provoke the most of the elites. This new movement was called existentialism and this term raised the vision of bohemianism in the Americans. The principal theme of the existentialists were full of despair, death, sorrow, anxiety and alienation, so they were murky and unclear. It was thought in the beginning that these woeful expressions were simply the result of the horrors of a great war and the disillusionment and disenchantment that inevitably are the aftermath of such upheavals. But after some time, it was understood that it is much more than mere a literary cult. It was realised that fundamentally existentialism represents an approach to philosophy, and that it is different from the classical system building approach and modern analytical school.

This new emerging approach affected different fields of knowledge as theology, politics and psychology. In theology some of its main historic roles lie in a great manner and in psychology it has made significant place in psychotherapy. Existentialist philosophers, as might be expected, are individualists above all. There is some common thematic material among them, but each approaches a theme in his own way, and its development in the hands of one man is usually very different from that of another. Hence existentialism is not a philosophy in the sense that idealism or pragmatism may be said to be. It is not systematic in a usual

sense of philosophy and it has no ambitions to become so. One of the chief prolast of existentialist thought against traditional philosophy is that conventional philosophers have sold out everything particularly man— to the interest of some system. It is some times said that existentialism is an approach to philosophy rather than a system of philosophy. The existential method is an individualist method. Existentialists are against any kind of rationalisation, universalisation and generalistics in philosophy. They have advocated extreme subjectivism in philosophising. As Marcel claims himself to be "I have played the part of prosecuting attorney against every philosophy that seemed to me to remain the prisoner of abstraction."

HISTORICAL OVERVIEW :

If we look on Indian philosophy we will see that whole of the Indian philosophy is either an extension, interpretation, criticism and corroboration of the vedas and in it the Upanisads or an outright revolt against them, similarly it may be remarked of western philosophy as either a clarification of Socrates or his rejection. One would be still right in saying that the whole of western philosophy is an appendix of Socrates. So it is even true with existentialism that Socrates has been considered to be the first existentialist because of his statement "I am and always have been a man to obey nothing in my nature except any reasoning which, upon reflection, appears to me to be the best." We will be correct in this assertion only when we think of Socratic method as existentialistic rather than Socratic philosophy itself. Right from Plato down to Spinoza, Liebnitz, Descartes the majority of western thinkers have been believing in the immutability of ideas and the rest of the thinkers have been suggesting corrections in it. Anyhow their frame of reference has always been "Essence precedes Existence ; essence being referred to ideas, values, ideals, thoughts, etc., and existence being referred to our lives." The last in the series was Hegel who carried farthest this effect to understand the world rationally.

But by the middle of the 19th century there sprang up a Danish philosopher, Soren Aabye Kierkegaard, who not only rejected the Platonic view but reversed the order itself. Kierkegaard, who may be considered to be the founder of the philosophy of existence, contradicted Hegel and asserted that 'existence precedes

essence'. Kierkegaard revolted against not any one school of philosophy in particular but also against the historical continuum that led up to it. Kierkegaard's thought was a protest and one of the greatest matched perhaps in the modern age only by that of Marx. He elaborated all his fundamental doctrines in order to expound and to defend what he took to be true Christianity. The philosophers upon whom he drew were Hegel, Kant, Aristotle and the Platonic Socrates. In contrasting philosophy from Plato to Hegel with authentic Christianity, Kierkegaard emphasized the concept of individual, of choice, of dread and of paradox. He thus originated all the fundamental themes of existentialism.

Kierkegaard's life and works were not of any significance for his contemporaries and it took nearly a century for a revival of his thinking, when there was a translation of his major work either/or in English and German.

The first half of the twentieth century became a period of social crisis at least for the western world. So, there sprang up a group of philosophers spread all over Germany, France and Italy. Significant among these philosophers were Karl Jaspers and Martin Heidegger from Germany. Karl Jaspers was Professor of Philosophy at Heidelberg and Heidegger was Professor of Philosophy at Freiburg. France contributed two other existentialists for the world of philosophy—one of them was Gabriel Marcel a Philosopher and Playwriter and another Jean Paul Sartre, a great Literateur and Philosopher (Professor of Philosophy at Sorbonne.) There are quite a few gentlemen who are associated remotely with the philosophy of existentialism like Schelling, Nietzsche, Pascal, Husserl who have influenced existential thought but can not be rigidly classified as existentialists.

The range of views expressed by existentialist writers has made it all too easy for the most multifarious authors to claim the title and for the most widespread ancestry to be found for existentialism. Karl Heim, the German writer on the philosophy of Physics, has defined existentialism so widely that almost everything not strictly in the area of Science becomes the subject matter of existentialism, such examples could be multiplied indefinitely.

THE PHILOSOPHY OF EXISTENTIALISM

The etymological meaning of existence we find in two German words *ex-sist*, meaning that which stands out, that which emerges.

It suggests that existentialism is a philosophy that emerges out of the problems of life. We can define 'existentialism' as a philosophy of crisis. A crisis in individual's or group life is an occasion for philosophy.

According to existentialism philosophy is an interpretation of our inner life— of our experiences, and our experiences are so unique and subjective that there is neither scope nor sense in generalisation about human experience. Philosophy is not a search for truth but a trial of truth. They say that it is not enough if you 'know' the truth, you must 'exist' the truth, because life is not riddle to be solved but a reality to be experienced. Philosophy must grow out of your reflections over your experiences of life and not grow out of wonder, or love of truth, or your keen interest in human life.

The whole of classical Indian philosophy is also essential in nature. As Prof. Hariyanna said, "Philosophy in India has been the fruit of speculations of sages over the practical problem of life that they encountered." Even Dr. Radhakrishnan affirms that "every major system of Indian philosophy takes its beginning from the practical and tragic problems of life and searches for the truth in order to solve the problems of man's distress in the world in which he finds himself." It can be easily shown that both existentialism and classical Indian philosophy agree that what occasions philosophical enquiry is not mere intellectual curiosity but a crisis in the individual life, which calls upon him to make a choice regarding his subsequent existence.

BASIC CONCEPTS OF EXISTENTIALISM :

1. For an existentialist 'Reality' is a matter of individual existence and 'Existence precedes essence'. It was Plato who said that surrounding world is a world of essences, ideas and purpose of life is to discover these essences. Essences are already there, they precede existence. Even existence is an embodiment of an essence, the self, which is part of a universal essence— the Self. The majority of other western philosophers carried forward this theory. Descartes even affirmed the reality of existence because of its essence thinking as he said, 'I think, therefore I am.' Bergson even went to the extreme of saying that 'I do not think, it (essence) thinks in me, thereby striking a transcendental, desperately deterministic note on human existence. Similarly naturalist philosophers

rejected this type of transcendental determinism but replaced it by identifying essence in nature as preceding existence. On the other hand pragmatist spoke of social determinism. As such existentialism is a revolt against any kind of determinism and as affirmation of the free nature of man. They do not affirm that existence is prior to essence, that man is fundamentally free to create his essence, but think that this is a tragedy about man. Man is not only free but ironically he is condemned to be free. Each human being exists in a world that is without purpose and life is fundamentally absurd because of this, who a person is aware of his identity as an individual, realizes his contingent nature, he suffers a sense of anguish, despair and loneliness.

2. Another significant concept of existentialism is the contingency of human life. Existentialist believes that existence of a person means his period from birth to death. There was nothing before birth and would be nothing beyond death.

3. Existentialist believes that a person knows only through his experience. However, there are levels of experience, when one is aware of the existence of things and beings in themselves, one is functioning upon the highest level of human experience, the level of awareness. Truth is always relative to an individual's judgment. Absolute truths are non-existent. Each person must decide what is true and what is significant for him.

4. Another significant concept of existentialism is their view of man. In the age long philosophical controversy of free will vs. determinism, existentialist prefers to view man as an infinitely free, responsible being. According to Sartre freedom is identical with existence. As such existentialism has been described as a search for way in which man's freedom to create may be widely established and understood. According to existentialism the possibility of choice is the central fact of human nature. Even the thesis that existence precedes essence often means no more than that man does not have fixed natures that limit or determine their choices, but rather it is their choices that bring whatever nature they have into being. As existentialists develop this thesis, they are involved in at least three separate contentions. The first is that choice is ubiquitous. All our actions imply choices. Even when we do not choose explicitly, as we may not do in the majority of cases, our actions bear witness to an implicit choice. The second condition is that although in many of our actions our choices are

governed by criteria, the criteria which we employ are ourselves chosen, and there is no rational ground for such choices. The third is that no causal explanation of our action can be given.

5. Existentialist contends that values are neither absolute nor determined by outside criteria. Rather, each value is determined by the free choice of individual person. Existence is the basic value for any person. The values that are significant for each individual are relative to one's individual circumstances. One must not conform to the social values and norms of his society for the sake of conformity, if one permits society or any institution of society to impose values, then one loses authenticity and humanity. Human freedom demands that a person decides freely his own commitment, that is what provides significance and meaning for him, and this is the source of moral and social responsibility. In short, value is a completely personal, individual matter. In attempting to answer such questions as What is belief? What is an emotion? And what is an act of will? they emphasises that belief is always belief and anger is always anger. The object of belief or of emotion is not an object or a state of affairs in the external world. We may believe what is false or be angry about what did not in fact happen. So the object of belief or emotion is internal to the belief or emotion.

EMINENT EXISTENTIALISTS

Four men are generally conceded to be the leading figure in existentialism. They are Soren Kierkegaard, Friderich Nietzsche, Martin Heidegger and Jean Paul Sartre. My attention is to present some of the main features of the philosophy of the above thinkers :—

Soren Kierkegaard :— We may summarize his original and extremely important contributions to the existentialist philosophy under three categories :—

(a) There is Kierkegaard's interpretation of the essentially subjective nature of human existence, his insistence on the complete freedom of the individual to choose and to become what he will himself to become, and his consequent denial of determinism and of the priority of essence over existence.

(b) There is his prolast against institutionalized christianity that seeks to understand and make clear what is paradoxical and absurd and therefore outside the possibility of human reason. The

church is an institution that engulfs men as individuals, encouraging them to act like sheep, effectively preventing them from the personal encounter with God that is the only true religious experience.

(c) There is Kierkegaard's analysis of the human conditions as being one of despair and anxiety, at root of which lies the necessity for choice in the world that completely undermined.

2. *Friedrich Nietzsche* :—

(a) Nietzsche has a basic religious theme. He says that with our Science we have killed God. We have killed God with reason and with rationalistic philosophies, as well as with rationalistic Science. We have killed him with our pretensions to objective truth. Kierkegaard believed the church had killed religion, but he believed that God exists and can be known, although not in the formalistic sense that the church prescribed. Nietzsche went beyond and insisted that religion is dead because God is dead.

(b) The root of Nietzsche's ethical relativism has in his prediction that a new episode in history is to begin an era that will be nihilistic so far as the old, conventional values are concerned. He thought he saw the beginning of a 'more manly, a war-like age' and this age was to be preparatory to a time in which men would 'carry heroism' into the pursuit of knowledge.

(c) Nietzsche maintained that hedonism is no answer to the question of value. It may be true that increase of power and mastery brings feelings of pleasure with it, but pleasure exists and is experienced in the increase of power, value and power are identical and the ethical principle for man is self-aggrandizement.

3. *Martin Heidegger* :—

Heidegger's main conclusion on different way in which the world exist can be used is that it is man alone who can be said to exist. Other kinds of things are, but they do not exist. Trees, rocks and animals are, say Heidegger, and angels and God also are but they do not exist. This does not mean necessarily that things are unreal or illusory, it means that man exists in a way that is different. A fundamental difference is that man has consciousness. But Heidegger emphasises that the existence of man is limited, that for a time all things may be possible, but this time ends because the existence of man is finite. Death puts to an end all possibility, and all men must die. The

authentic person is one who is able to face resolutely that his existence is a 'being for death' and he takes his destiny into his hand.

4. *Jean Paul Sartre* :— The most important aspect of Sartre's treatment is his distinction between two forms of being— 'being-in-itself' and 'being-for-himself'. By being-in-itself Sartre means the self contained being of things. What we in common speech call objects— that is, trees, book, table, etc., are examples of being-in-itself. They are what they are in themselves. On the other hand being-for-itself is the realm of human consciousness, and the essential fact of consciousness is that it is always outside of and ahead of itself. We project ourselves into future, or perhaps into the past, but we are always outside ourselves. In this sense, we transcend ourselves, and the being of man is always for itself. If this were not true, we should simply be being-in-itself.

Sartre completely disavows the idea that there is some universal concept 'man' that exists prior to the existence of particular men and determines their nature. What this means, Sartre says, is that man exists, turns up, appears on the scene, and only afterwards defines himself. Sartre said "man is nothing else but what he makes of himself." Such is the first principle of existentialism. It is important to understand that not only is man free to choose what he will become, but also he is responsible for what he chooses to become.

The conditions of existence are not only that man is whatever he has chosen to be, but that whenever we choose we are not choosing only for ourselves but for all mankind, and therefore the responsibility, we inescapably bear, is far greater than merely choosing for ourselves. According to Sartre we always choose the good, and nothing can be good for us without being good for all.

Sartre resembles Nietzsche and Heidegger in being an atheist. For him, the root of human anxiety is in the fact that man exists, must choose, and does not find God present to put the responsibility on. But Sartre insists that the non-existence of God is not a matter for rejoicing among existentialists and they do not stoop to cheap tricks to get rid of him. Sartre comments wryly, "The existentialists are strongly opposed to a certain kind of secular ethics which would like to abolish God with least possible expense." □

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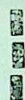
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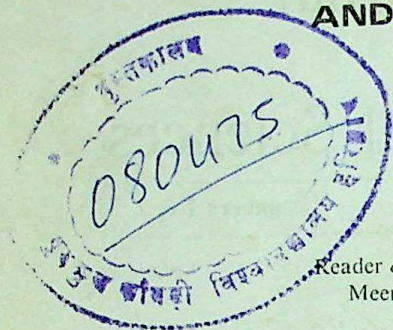
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